

The Ross K. MacNeill Foundation

Financial Statements

December 31, 2020 and 2019

The Ross K. MacNeill Foundation

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Independent Auditors' Report

To the Board of Directors of
The Ross K. MacNeill Foundation

We have audited the accompanying financial statements of The Ross K. MacNeill Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors consider 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 Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly US, LLP

Chicago, Illinois
November 2, 2021

The Ross K. MacNeill Foundation

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 174,514	\$ 259,780
Total assets	<u>\$ 174,514</u>	<u>\$ 259,780</u>
Liabilities and Net Assets		
Liabilities		
Refundable advance	\$ 19,532	\$ -
Total liabilities	<u>19,532</u>	<u>-</u>
Net Assets		
Without donor restrictions	<u>154,982</u>	<u>259,780</u>
Total net assets	<u>154,982</u>	<u>259,780</u>
Total liabilities and net assets	<u>\$ 174,514</u>	<u>\$ 259,780</u>

See notes to financial statements

The Ross K. MacNeill Foundation

Statements of Activities

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
Revenues		
Contributions	\$ 337,200	\$ 651,543
Special events revenue	14,048	32,231
Investment income	2	-
Other	16,990	2,658
	<u>368,240</u>	<u>686,432</u>
Expenses		
Program related expenses	317,361	214,733
Management and general expenses	42,808	31,310
Fundraising expenses	112,869	232,100
	<u>473,038</u>	<u>478,143</u>
Change in net assets	(104,798)	208,289
Net Assets Without Donor Restrictions		
Beginning	<u>259,780</u>	<u>51,491</u>
Ending	<u>\$ 154,982</u>	<u>\$ 259,780</u>

See notes to financial statements

The Ross K. MacNeill Foundation

Statement of Functional Expenses
Year Ended December 31, 2020

	<u>Program Related</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 69,779	\$ 8,723	\$ 8,723	\$ 87,225
Employee benefits	4,938	617	617	6,172
Payroll taxes	10,537	1,317	1,317	13,171
Subtotal	<u>85,254</u>	<u>10,657</u>	<u>10,657</u>	<u>106,568</u>
Advertising	26,827	-	-	26,827
Bank charges	-	4,503	-	4,503
Computer and internet	1,848	10,026	-	11,874
Food and beverage	33,449	-	-	33,449
Insurance	-	9,467	-	9,467
Merchandise	-	-	21,111	21,111
Office supplies	12,277	-	-	12,277
Other	14,274	-	-	14,274
Postage	4,334	-	-	4,334
Printing	3,026	-	-	3,026
Professional fees	15,104	3,776	-	18,880
Rent	30,211	3,357	-	33,568
Special events	-	-	81,101	81,101
Supplies and subscriptions	-	601	-	601
Telephone	-	421	-	421
Travel	1,257	-	-	1,257
Grant expense	89,500	-	-	89,500
Total expenses	<u>\$ 317,361</u>	<u>\$ 42,808</u>	<u>\$ 112,869</u>	<u>\$ 473,038</u>

See notes to financial statements

The Ross K. MacNeill Foundation

Statement of Functional Expenses
Year Ended December 31, 2019

	<u>Program Related</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 78,912	\$ 9,864	\$ 9,864	\$ 98,640
Payroll taxes	10,621	1,328	1,328	13,277
Subtotal	<u>89,533</u>	<u>11,192</u>	<u>11,192</u>	<u>111,917</u>
Advertising	3,859	-	-	3,859
Bank charges	9,340	6,309	-	15,649
Computer and internet	-	1,643	-	1,643
Food and beverage	36,146	-	-	36,146
Insurance	-	4,638	-	4,638
Merchandise	-	-	23,327	23,327
Office supplies	3,391	-	-	3,391
Postage	2,031	-	-	2,031
Printing	1,303	-	-	1,303
Professional fees	15,709	3,927	-	19,636
Rent	23,424	2,603	-	26,027
Special events	-	-	197,581	197,581
Supplies and subscriptions	-	998	-	998
Travel	4,897	-	-	4,897
Grant expense	25,100	-	-	25,100
Total expenses	<u>\$ 214,733</u>	<u>\$ 31,310</u>	<u>\$ 232,100</u>	<u>\$ 478,143</u>

See notes to financial statements

The Ross K. MacNeill Foundation

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (104,798)	\$ 208,289
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Changes in operating assets and liabilities:		
Refundable advance	<u>19,532</u>	<u>-</u>
Net cash flows from operating activities	<u>(85,266)</u>	<u>208,289</u>
Net change in cash and cash equivalents	(85,266)	208,289
Cash and Cash Equivalents, Beginning	<u>259,780</u>	<u>51,491</u>
Cash and Cash Equivalents, Ending	<u>\$ 174,514</u>	<u>\$ 259,780</u>

See notes to financial statements

The Ross K. MacNeill Foundation

Notes to Financial Statements

December 31, 2020 and 2019

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The mission of The Ross K. MacNeill Foundation (the Foundation), a 501(c)(3) charitable organization, is to raise money for research and awareness to end pediatric brain cancer. Ross K. MacNeill is currently investing in exciting research.

Financial Statement Presentation

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions. Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions. Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation did not have any net assets with donor restrictions as of December 31, 2020 and 2019.

The Foundation reports contributions based on the existence or absence of any donor restrictions. The Foundation reports contributions as increases in net assets without donor restrictions if the donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. When restrictions expire, 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.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, not held as part of their investment portfolio, with an original maturity at purchase of three months or less to be cash equivalents.

The Foundation maintains cash balances which at times may exceed the federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contributions

The Foundation recognizes contributions when cash, securities, or other assets or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value.

The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the excess received when the event takes place.

The Ross K. MacNeill Foundation

Notes to Financial Statements

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Expense Allocation

The costs of providing various programs and other 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 identified.

Use of Estimates

The preparation of 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes.

The Foundation follows the accounting standards for contingencies in evaluating uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Foundation for uncertain tax positions as of December 31, 2020 and 2019. The Foundation's tax returns are subject to review and examination by federal and state authorities.

2. Paycheck Protection Program

The Foundation participated in and received funds under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 in the amount of \$19,532. The PPP is designed to provide a direct financial incentive for small businesses to keep their workers on the payroll. The program will forgive loan balances to the extent employees are kept on the payroll and the loan principal is used for payroll, rent, mortgage interest, or utilities during the eight or twenty-four week period following receipt. Any portion of the loan that is not forgiven will carry interest at 1 percent and is due to be paid back within two years. The first payment can be deferred until ten months after the end of the eight or twenty-four week covered period.

The Foundation determined this was a conditional contribution when received and concluded that the right to return and barriers associated with forgiveness were not met prior to December 31, 2020. As a result, the Foundation considers the balance of the loan to be a refundable advance as of December 31, 2020. The full amount of \$19,532 of PPP funds received are recorded as a refundable advance in the Foundation's December 31, 2020 statement of financial position. The Foundation was notified in March 2021 that the full amount of the PPP loan was forgiven, which will be recognized as revenue in the 2021 financial statements.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is repaid in full or forgiven and to provide that documentation to the SBA upon request. The Foundation does not believe the results of any audits or review by the SBA would have a material impact on the financial statements.

The Ross K. MacNeill Foundation

Notes to Financial Statements
December 31, 2020 and 2019

3. Liquidity and Funds Available

Financial assets available for general expenditure as of December 31, 2020 and 2019 that are without donor or other restrictions limiting their use, within one year of the statement of financial position consist of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 174,514	\$ 259,780
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 174,514</u>	<u>\$ 259,780</u>

4. Leases

The Foundation leases office space under a lease that expires September 30, 2024. The future minimum rental payments are as follows:

Years ending December 31:	
2021	\$ 25,021
2022	23,986
2023	24,645
2024	<u>18,922</u>
Total	<u>\$ 92,574</u>

Rent expense under the lease was \$33,568 and \$26,027 for the years ended December 31, 2020 and 2019, respectively.

5. Subsequent Event

The Foundation has evaluated events through November 2, 2021, which is the date that the financial statements were approved and available to be issued.