

# **The Ross K. MacNeill Foundation**

Financial Statements

December 31, 2021 and 2020

# The Ross K. MacNeill Foundation

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## **Independent Auditors' Report**

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

### **Opinion**

We have audited the financial statements of The Ross K. MacNeill Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 Foundation as of December 31, 2021 and 2020, 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.

### **Basis for Opinion**

We conducted our audits 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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 Foundation's ability to continue as a going concern within 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 Foundation'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 Foundation'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.

*Baker Tilly US, LLP*

Chicago, Illinois  
August 23, 2022

# The Ross K. MacNeill Foundation

Statements of Financial Position  
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 204,217	\$ 174,514
Total assets	<u>\$ 204,217</u>	<u>\$ 174,514</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Refundable advance	\$ -	\$ 19,532
Total liabilities	<u>-</u>	<u>19,532</u>
<b>Net Assets</b>		
Without donor restrictions	<u>204,217</u>	<u>154,982</u>
Total net assets	<u>204,217</u>	<u>154,982</u>
Total liabilities and net assets	<u>\$ 204,217</u>	<u>\$ 174,514</u>

See notes to financial statements

# The Ross K. MacNeill Foundation

## Statements of Activities

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
<b>Revenues</b>		
Contributions	\$ 143,570	\$ 337,200
Special events revenue	516,959	14,048
Investment income	6	2
Other	41,920	16,990
	<u>702,455</u>	<u>368,240</u>
<b>Expenses</b>		
Program related expenses	258,619	317,361
Management and general expenses	50,556	42,808
Fundraising expenses	344,045	112,869
	<u>653,220</u>	<u>473,038</u>
Change in net assets	49,235	(104,798)
<b>Net Assets Without Donor Restrictions</b>		
Beginning	<u>154,982</u>	<u>259,780</u>
Ending	<u>\$ 204,217</u>	<u>\$ 154,982</u>

See notes to financial statements

## The Ross K. MacNeill Foundation

Statement of Functional Expenses  
Year Ended December 31, 2021

	<u>Program Related</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 59,572	\$ 7,446	\$ 7,446	\$ 74,464
Employee benefits	8,940	1,117	1,117	11,174
Payroll taxes	15,026	1,878	1,878	18,782
Subtotal	<u>83,538</u>	<u>10,441</u>	<u>10,441</u>	<u>104,420</u>
Advertising	4,424	-	-	4,424
Bank charges	-	17,627	-	17,627
Computer and internet	-	4,520	-	4,520
Food and beverage	19,865	-	-	19,865
Insurance	-	4,885	-	4,885
Merchandise	-	-	10,648	10,648
Office supplies	1,055	-	-	1,055
Other	-	115	-	115
Postage	2,454	-	-	2,454
Printing	5,453	-	-	5,453
Professional fees	40,109	10,027	-	50,136
Rent	23,777	2,642	-	26,419
Special events	-	-	322,956	322,956
Supplies and subscriptions	-	299	-	299
Travel	2,944	-	-	2,944
Grant expense	75,000	-	-	75,000
Total expenses	<u>\$ 258,619</u>	<u>\$ 50,556</u>	<u>\$ 344,045</u>	<u>\$ 653,220</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

### Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 49,235	\$ (104,798)
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>19,532</u>
Net cash flows from operating activities	<u>29,703</u>	<u>(85,266)</u>
Net change in cash and cash equivalents	29,703	(85,266)
<b>Cash and Cash Equivalents, Beginning</b>	<u>174,514</u>	<u>259,780</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 204,217</u></u>	<u><u>\$ 174,514</u></u>

See notes to financial statements

# The Ross K. MacNeill Foundation

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Notes to Financial Statements  
December 31, 2021 and 2020

## 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, 2021 and 2020.

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 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

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Notes to Financial Statements  
December 31, 2021 and 2020

## 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, 2021 and 2020. The Foundation's tax returns are subject to review and examination by federal and state authorities.

## New Accounting Pronouncement Not Yet Effective

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021 (2022). The Foundation is currently assessing the effect that Topic 842 (as amended) will have on its results of operations, financial position and cash flows.

During September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021 (2022). The Foundation is currently assessing the effect that ASU No. 2020-07 will have on its financial statements.

# The Ross K. MacNeill Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

## 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 in May 2020 and a second draw PPP (PPP2) loan in the amount of \$19,530 in February 2021, under the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues (Economic Aid) Act. The PPP and PPP2 are 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 covered period, which is eight or twenty-four week for PPP and between eight and twenty-four weeks for PPP2.

As of December 31, 2021, the Foundation had expended all of the PPP and PPP2 funds received on qualified expenses and believes that it met all of the conditions attached to the PPP and PPP2, therefore, the Foundation has recorded revenue of \$39,062 within other revenue on its statement of activities for the year ending December 31, 2021. The PPP was forgiven in full by the Small Business Administration (SBA) in March 2021 and PPP2 was forgiven in full by the SBA in September 2021.

The SBA reserves the right to audit any PPP or PPP2 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 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.

## 3. Liquidity and Funds Available

Financial assets available for general expenditure as of December 31, 2021 and 2020 that are without donor or other restrictions limiting their use, within one year of the statement of financial position consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 204,217	\$ 174,514
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 204,217</u>	<u>\$ 174,514</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:	
2022	\$ 23,986
2023	24,645
2024	<u>18,922</u>
Total	<u>\$ 67,553</u>

Rent expense under the lease was \$26,419 and \$33,658 for the years ended December 31, 2021 and 2020, respectively.

# The Ross K. MacNeill Foundation

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Notes to Financial Statements  
December 31, 2021 and 2020

## 5. Subsequent Event

The Foundation has evaluated events through August 23, 2022, which is the date that the financial statements were approved and available to be issued.