

# **Globus Relief**

**Year Ended December 31, 2021**

**Financial Statements**

**And**

**Independent Auditor's Report**



# Globus Relief

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Globus Relief  
Salt Lake City, Utah

### *Opinion*

We have audited the accompanying financial statements of Globus Relief (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Globus Relief as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

### *Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Globus Relief's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Globus Relief'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 Globus Relief'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.

***Report on Summarized Comparative Information***

We have previously audited Globus Relief's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bountiful Peak Advisors*

Bountiful, Utah  
July 21, 2022

**Globus Relief**  
**Statement of Financial Position**  
**December 31, 2021**  
**With Comparative Totals For December 31, 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 997,585	\$ 3,168,079
Accounts receivable	392,778	187,070
Inventory	34,281,797	29,904,062
Prepaid expenses	67,467	30,199
Investments	<u>1,139,898</u>	<u>15,933</u>
Total current assets	<u>36,879,525</u>	<u>33,305,343</u>
Property and equipment, at cost		
Equipment	412,730	326,343
Furniture	76,295	76,295
Software	<u>299,799</u>	<u>276,099</u>
Total property and equipment	788,824	678,737
Less: accumulated depreciation	<u>(633,912)</u>	<u>(606,798)</u>
Net property and equipment	<u>154,912</u>	<u>71,939</u>
Total assets	<u>\$ 37,034,437</u>	<u>\$ 33,377,282</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 136,291	\$ 115,956
Accrued liabilities	207,556	140,059
Accrued payroll	57,374	57,349
Customer deposits	<u>38,791</u>	<u>110,643</u>
Total current liabilities	<u>440,012</u>	<u>424,007</u>
Net assets		
Without donor restrictions	36,594,425	32,953,275
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>36,594,425</u>	<u>32,953,275</u>
Total liabilities and net assets	<u>\$ 37,034,437</u>	<u>\$ 33,377,282</u>

See accompanying notes to financial statements.

**Globus Relief**  
**Statement of Activities**  
**Year Ended December 31, 2021**  
**With Comparative Totals For The Year Ended December 31, 2020**

	<u>12/31/2021</u>			
	<u>Without</u>	<u>With</u>		<u>12/31/2020</u>
	<u>Donor</u>	<u>Donor</u>		<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>				
<b>Support</b>				
In-kind contributions	\$ 28,348,247	\$ -	\$ 28,348,247	\$ 41,042,951
Government grants	273,712	-	273,712	277,000
Contributions	96,468	-	96,468	107,942
Special projects contributions	30,000	-	30,000	49,500
Donated rent	-	-	-	36,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total support	28,748,427	-	28,748,427	41,513,393
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Revenues</b>				
Product conversion income	1,849,863	-	1,849,863	1,638,947
Less: cost of goods sold	(885,957)	-	(885,957)	(555,149)
Handling and processing	1,292,505	-	1,292,505	1,283,168
Realized gains on sales of investments	42,377	-	42,377	-
Interest	14,775	-	14,775	1,615
Unrealized gains on investments	6,845	-	6,845	-
Miscellaneous income	2,324	-	2,324	28,306
Gain on sale of assets	-	-	-	305,405
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,322,732	-	2,322,732	2,702,292
	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenues	31,071,159	-	31,071,159	44,215,685
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>				
Program services	26,326,823	-	26,326,823	24,753,115
General and administrative	1,008,019	-	1,008,019	794,169
Development and fundraising	95,167	-	95,167	108,866
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	27,430,009	-	27,430,009	25,656,150
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	3,641,150	-	3,641,150	18,559,535
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, beginning of year	32,953,275	-	32,953,275	14,393,740
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 36,594,425</u>	<u>\$ -</u>	<u>\$ 36,594,425</u>	<u>\$ 32,953,275</u>

See accompanying notes to financial statements.

**Globus Relief**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**  
**With Comparative Totals For The Year Ended December 31, 2020**

	<b>12/31/2021</b>			<b>12/31/2020</b>	
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Development Fundraising</u>	<u>Total</u>	<u>Total</u>
Salaries and wages	\$ 773,601	\$ 503,387	\$ 77,500	\$ 1,354,488	\$ 1,363,671
Employee benefits	96,758	36,836	8,576	142,170	147,964
Payroll taxes	30,643	63,071	5,565	99,279	93,524
<b>Total salaries and related expenses</b>	<b>901,002</b>	<b>603,294</b>	<b>91,641</b>	<b>1,595,937</b>	<b>1,605,159</b>
In-kind contributions to others	23,970,512	-	-	23,970,512	22,663,196
Cost of goods sold	474,241	-	-	474,241	225,506
Freight	463,419	426	-	463,845	332,815
Occupancy	263,686	111,407	-	375,093	199,611
Utilities	95,364	52,820	971	149,155	28,447
Bank and merchant fees	2,847	63,593	20	66,460	91,948
Supplies	35,073	9,027	99	44,199	31,597
Unrelated business income tax	-	42,973	-	42,973	16,656
Equipment rentals	37,355	2,931	-	40,286	40,421
Information technology	16,535	21,961	263	38,759	53,883
Grants	-	30,000	-	30,000	49,500
Insurance	-	22,669	-	22,669	46,407
Professional fees	4,170	15,901	-	20,071	10,963
Contract service	11,549	6,274	-	17,823	12,169
Miscellaneous	12,326	3,800	-	16,126	879
Communications	2,277	5,966	1,508	9,751	13,056
Travel	8,806	935	-	9,741	49,430
Repairs and maintenance	-	4,405	-	4,405	2,186
Security service	2,873	1,037	-	3,910	18,503
License, dues, and fees	340	3,519	-	3,859	8,630
Bad debt expense	2,389	-	-	2,389	-
Meals and entertainment	268	423	-	691	2,126
Mortgage interest expense	-	-	-	-	109,419
<b>Total expenses before depreciation</b>	<b>26,305,032</b>	<b>1,003,361</b>	<b>94,502</b>	<b>27,402,895</b>	<b>25,612,507</b>
Depreciation	21,791	4,658	665	27,114	43,643
<b>Total expenses</b>	<b>\$ 26,326,823</b>	<b>\$ 1,008,019</b>	<b>\$ 95,167</b>	<b>\$ 27,430,009</b>	<b>\$ 25,656,150</b>

See accompanying notes to financial statements.

**Globus Relief**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**  
**With Comparative Totals For The Year Ended December 31, 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,641,150	\$ 18,559,535
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	27,114	43,643
Non-cash change in inventory	(4,377,735)	(18,313,831)
Gain on sale of assets	-	(305,405)
Realized gains on sales of investments	(42,377)	-
Unrealized gains on investments	(6,845)	-
Forgiveness of PPP loans	(273,712)	(277,000)
Changes in current assets and liabilities:		
Accounts receivable	(205,707)	562,265
Prepaid expenses	(37,268)	30,878
Accounts payable	20,336	10,318
Accrued liabilities	67,498	(117,437)
Accrued payroll	25	(12,549)
Customer deposits	(71,852)	21,391
	<u>(1,259,373)</u>	<u>201,808</u>
Net cash provided by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of land and building	-	3,529,962
Proceeds from sale of investments	15,863	-
Cash purchases of investments	(1,090,609)	(3,715)
Cash purchases of property and equipment	(110,087)	(4,206)
	<u>(1,184,833)</u>	<u>3,522,041</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	-	(2,513,614)
Proceeds from issuance of long-term debt	273,712	277,000
	<u>273,712</u>	<u>(2,236,614)</u>
Net cash (used in) provided by financing activities		
Net change in cash and cash equivalents	(2,170,494)	1,487,235
Cash and cash equivalents, beginning of year	<u>3,168,079</u>	<u>1,680,844</u>
Cash and cash equivalents, end of year	<u>\$ 997,585</u>	<u>\$ 3,168,079</u>

**SUPPLEMENTAL CASH FLOW INFORMATION**

During the year ended December 31, 2020, the Organization received in-kind contributions totaling \$41,078,951. In-kind contributions consisted of humanitarian supplies of \$41,042,951 and donated use of facilities of \$36,000.

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid for interest	\$ -	\$ 109,419
Cash paid for income taxes	<u>\$ 42,973</u>	<u>\$ 16,656</u>

See accompanying notes to financial statements.



**Globus Relief**  
**Notes to Financial Statements**  
**December 31, 2021**

**1. ORGANIZATION HISTORY**

Globus Relief, formerly known as Globous Relief Fund, (the “Organization”) is a not-for-profit corporation organized under the laws of the State of Utah in December 1996. The organization’s vision is to continually work to improve healthcare. The Organization is a medical resource humanitarian organization, committed to partnering with other charities, corporations and governments working to improve the delivery of healthcare across the world. The Organization accomplishes the improvement of health care through assessment, partnership, and training. The Organization reduces unnecessary duplication of efforts among our partners and works to produce a synergistic environment that magnifies social impact.

The Organization receives contributions of funds, as well as medical, health, educational, food, and clothing supplies, and makes charitable contributions of these resources to entities, programs, and causes which promote humanitarian assistance worldwide.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for Profit Entities*. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Date of Management’s Review

Subsequent events were evaluated through July 21, 2022, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less.

Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash, cash equivalents, and investments in various financial institution accounts that, at times, may exceed federally insured limits. Exposure to credit risk is reduced by the placement of such funds in high credit quality financial institutions and financial instruments. In order to control market risk, the Organization has a finance committee that reviews and updates investment policy statements, oversees its investment portfolio, and engages the services of investment advisors and managers to invest and manage the assets within the guidelines of the investment policy statements and perform ongoing due diligence and reporting.

## Notes (continued)

For the year ended December 31, 2021, approximately 20% and 15% of the Organization's in-kind donations came from two donors, respectively.

As of December 31, 2021, approximately 41% and 39% of the accounts receivable balance was due from two customers, respectively.

As of December 31, 2021, approximately 24%, 24%, and 21% of the accounts payable balance was due to three vendors, respectively.

### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risks, and current economic conditions.

### Inventory

Inventory consists of humanitarian supplies, medical equipment and supplies, and pharmaceutical supplies. Inventory is accounted for at the lower of cost or market, using the specific identification method. For donated inventory items, cost represents the estimated fair market value of donated inventory on the date of donation.

### Property and Equipment

Property and equipment are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$1,000. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation and amortization expense are provided on a straight-line basis over the estimated useful lives of the respective assets, which range from three to thirty-nine years. Depreciation expense for the year ended December 31, 2021 was \$27,114.

### Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amounts of the assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted future cash flows associated with them. When future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying amounts of the assets, the assets are adjusted to their fair values.

### Investments

The Organization has adopted the provisions of FASB ASC 958-320, *Investments—Debt and Equity Securities*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

### Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

### Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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 restrictions.

### Revenue Recognition

**Contributions-** Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (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 substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

**In-Kind Contributions-** Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

In-kind contributions received during the year ended December 31, 2021 consisted of the following:

Humanitarian supplies	\$ 28,348,247
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**Program Service Revenue-** Program service revenue consists of product conversion income and handling and processing, which are recognized as revenue at the time the mission or events occur.

### Freight and Shipping

Freight and shipping costs are expensed when incurred.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended December 31, 2021 was \$0.

Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, professional fees, occupancy, and depreciation, which are allocated on the basis of estimated time and effort.

Income taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 509(a)(2), and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization paid unrelated business income tax in the amount of \$16,656 related to SRN sales for the year ended December 31, 2021. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2018.

Reclassifications

Certain items from December 31, 2020 have been reclassified to conform to the December 31, 2021 presentation.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

Cash and cash equivalents	\$ 997,585
Accounts receivable	392,778
Investments	<u>1,139,898</u>
Current financial assets, at year-end	<u>2,530,261</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,530,261</u>

As part of its liquidity management plan, the Organization invests cash in excess of daily requirements in savings and money market funds.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of \$392,778 in trade receivables. Accounts receivable are expected to be collected in full in less than one year. Therefore, management has determined that there is no allowance necessary.

**5. FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include <ul style="list-style-type: none"> <li>• quoted prices for similar assets or liabilities in active markets;</li> <li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li> <li>• inputs other than quoted prices that are observable for the asset or liability;</li> <li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means</li> </ul> If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Level 1

*Mutual funds:* Valued based on quoted NAV of the shares held by the Organization at year-end. The values of underlying common stocks, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2021:

	<b>Assets at Fair Value as of December 31, 2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity mutual funds	\$ 1,139,898	\$ -	\$ -	\$ 1,139,898
Total investments	\$ 1,139,898	\$ -	\$ -	\$ 1,139,898

**6. RELATED-PARTY TRANSACTIONS**

During the year ended December 31, 2021, the Organization was involved in certain related-party transactions with National Product Sales, a company in which two members of the board of directors maintain an ownership interest. These transactions included the following:

In-kind contributions:	
Inventory	\$ 192,753

**7. RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA plan for its employees. Employees who earn at least \$5,000 in compensation (either in the prior two years or anticipate earning \$5,000 in the current year) may participate in the plan. The employees may contribute up to \$13,000 (or \$16,000 if they are over age 50) annually. The Organization matches employee contributions dollar for dollar up to 3% of the employee's salary. For the year ended December 31, 2021, the Organization made contributions totaling \$28,201.

**8. OPERATING LEASES**

The Organization entered into a new operating lease that begin March 2021. The lease will expire on October 31, 2022 and required monthly payments of \$16,124 in January, \$22,526 from February to April, and \$36,875 for the remainder of the lease. Future minimum lease payments to be amortized under the operating lease are as follows:

<u>For the year ending December 31,</u> 2022	<u>\$ 295,003</u>
Total future minimum lease payments	<u>\$ 295,003</u>

Rental expense for the year ended December 31, 2021 was \$0.

**9. COMMITMENTS AND CONTINGENCIES**

The Organization may be involved in certain claims arising from the ordinary course of operations, and has purchased insurance policies to cover these risks.

**10. PRIOR YEAR INFORMATION**

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021 from which the summarized information was derived.