



**Financial Statements  
(Together with Independent Auditors' Report)**

**Years Ended September 30, 2020 and 2019**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Catholic Medical Mission Board, Inc.

We have audited the accompanying financial statements of Catholic Medical Mission Board, Inc. (the "Organization") which comprise the statements of financial position as of September 30, 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 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 Catholic Medical Mission Board, Inc. as of September 30, 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.

*Marks Paneth LLP*

New York, NY  
December 18, 2020

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2C and 15)	\$ 9,196,778	\$ 5,283,805
Investments (Notes 2D and 4)	23,357,226	22,733,974
Inventory (Notes 2E and 2F)	36,124,654	26,494,689
Accrued interest and other receivables (Note 2H)	394,150	326,675
Contributions and pledges receivable (Notes 2H and 5)	1,760,583	1,171,585
Government grants receivable, net (Note 2H)	966,560	1,526,169
Prepaid expenses	305,728	265,607
Beneficial interest in charitable lead annuity trust (Note 6)	3,902,679	4,387,953
Gift annuity investments (Notes 2D, 2M, 4 and 9)	3,939,178	3,762,578
Assets held in charitable remainder annuity trust (Note 13)	5,790	13,516
Property and equipment, net (Notes 2G, 7 and 14)	286,374	306,596
<b>TOTAL ASSETS</b>	<b>\$ 80,239,700</b>	<b>\$ 66,273,147</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 4,267,544	\$ 3,214,343
Deferred revenue (Note 2I)	674,767	1,544,596
Deferred rent (Notes 2J and 14)	200,473	254,403
Refundable advances (Note 8)	4,141,980	-
Gift annuity payable (Notes 2M and 9)	1,818,491	1,828,781
Charitable remainder annuity trust payable (Note 13)	5,703	13,312
<b>TOTAL LIABILITIES</b>	<b>11,108,958</b>	<b>6,855,435</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Notes 2K and 14)		
<b>NET ASSETS</b> (Note 2B)		
Without donor restrictions (Note 12)	61,088,416	50,947,551
With donor restrictions (Note 11)	8,042,326	8,470,161
<b>TOTAL NET ASSETS</b>	<b>69,130,742</b>	<b>59,417,712</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 80,239,700</b>	<b>\$ 66,273,147</b>

The accompanying notes are an integral part of these financial statements.

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<u>For the Year Ended September 30, 2020</u>			<u>For the Year Ended September 30, 2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>						
<b>Support and Revenue</b>						
Donated pharmaceuticals, equipment and supplies (Notes 2F and 15)	\$ 436,830,700	\$ -	\$ 436,830,700	\$ 398,686,349	\$ -	\$ 398,686,349
Donated services (Note 2F)	2,551,073	-	2,551,073	5,287,028	-	5,287,028
Grants and contributions (Notes 2K and 6)	27,875,272	5,802,870	33,678,142	24,628,031	8,180,873	32,808,904
Wills and legacies	2,736,509	-	2,736,509	2,346,438	-	2,346,438
Dividends and interest (Notes 2D, 4 and 9)	22,981	-	22,981	18,511	-	18,511
Net assets released from restrictions (Note 11)	6,230,705	(6,230,705)	-	4,622,896	(4,622,896)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>476,247,240</u>	<u>(427,835)</u>	<u>475,819,405</u>	<u>435,589,253</u>	<u>3,557,977</u>	<u>439,147,230</u>
<b>EXPENSES (Note 2N):</b>						
<b>Program Services (Note 1):</b>						
Programs	23,723,601	-	23,723,601	21,334,702	-	21,334,702
Volunteers (Note 2F)	3,023,776	-	3,023,776	5,829,240	-	5,829,240
Medical donations program (Note 2F)	429,178,971	-	429,178,971	554,592,954	-	554,592,954
Total Program Services	<u>455,926,348</u>	<u>-</u>	<u>455,926,348</u>	<u>581,756,896</u>	<u>-</u>	<u>581,756,896</u>
<b>Supporting Services:</b>						
Fundraising	6,169,021	-	6,169,021	5,967,104	-	5,967,104
Administration	4,584,312	-	4,584,312	4,677,654	-	4,677,654
Total Supporting Services	<u>10,753,333</u>	<u>-</u>	<u>10,753,333</u>	<u>10,644,758</u>	<u>-</u>	<u>10,644,758</u>
<b>TOTAL EXPENSES</b>	<u>466,679,681</u>	<u>-</u>	<u>466,679,681</u>	<u>592,401,654</u>	<u>-</u>	<u>592,401,654</u>
<b>Change in Net Assets from Operations</b>	<u>9,567,559</u>	<u>(427,835)</u>	<u>9,139,724</u>	<u>(156,812,401)</u>	<u>3,557,977</u>	<u>(153,254,424)</u>
<b>NONOPERATING ACTIVITIES</b>						
Unrealized gain on investments and gift annuity investments (Notes 2D, 4 and 9)	736,337	-	736,337	239,841	-	239,841
Realized gain on sales of investments and gift annuity investments (Notes 2D, 4 and 9)	27,496	-	27,496	30,602	-	30,602
Change in valuation of gift annuity payable (Note 9)	(7,693)	-	(7,693)	(176,149)	-	(176,149)
Change in valuation of charitable remainder annuity trust payable (Note 13)	(117)	-	(117)	(477)	-	(477)
Foreign currency loss	(182,717)	-	(182,717)	(33,905)	-	(33,905)
<b>TOTAL NONOPERATING ACTIVITIES</b>	<u>573,306</u>	<u>-</u>	<u>573,306</u>	<u>59,912</u>	<u>-</u>	<u>59,912</u>
<b>CHANGE IN TOTAL NET ASSETS (Note 16)</b>	<u>10,140,865</u>	<u>(427,835)</u>	<u>9,713,030</u>	<u>(156,752,489)</u>	<u>3,557,977</u>	<u>(153,194,512)</u>
Net assets - beginning of year	<u>50,947,551</u>	<u>8,470,161</u>	<u>59,417,712</u>	<u>207,700,040</u>	<u>4,912,184</u>	<u>212,612,224</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 61,088,416</u>	<u>\$ 8,042,326</u>	<u>\$ 69,130,742</u>	<u>\$ 50,947,551</u>	<u>\$ 8,470,161</u>	<u>\$ 59,417,712</u>

The accompanying notes are an integral part of these financial statements.

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**(With Comparative Totals for 2019)**

	Year ended September 30, 2020							Total 2020	Total 2019
	Programs	Volunteers	Medical	Total Program		Administration	Total		
			Donations Program	Services	Fundraising		Supporting Services		
Salaries	\$ 9,220,712	\$ 188,410	\$ 806,327	\$ 10,215,449	\$ 1,221,287	\$ 2,332,618	\$ 3,553,905	\$ 13,769,354	\$ 12,468,404
Payroll taxes and fringe benefits (Note 10)	2,105,456	58,923	252,756	2,417,135	309,844	656,272	966,116	3,383,251	3,191,757
<b>Total Salaries and Related Costs</b>	<b>11,326,168</b>	<b>247,333</b>	<b>1,059,083</b>	<b>12,632,584</b>	<b>1,531,131</b>	<b>2,988,890</b>	<b>4,520,021</b>	<b>17,152,605</b>	<b>15,660,161</b>
Temporary help	284,854	-	-	284,854	-	131,200	131,200	416,054	210,283
Postage and mailing	3,052	-	152	3,204	1,116,132	7,534	1,123,666	1,126,870	1,006,494
Rent and utilities (Note 14)	663,898	27,524	99,280	790,702	116,285	130,939	247,224	1,037,926	1,023,361
Telephone and communications	264,883	3,154	26,217	294,254	13,186	25,796	38,982	333,236	330,720
Supplies	3,710,977	27,647	152,475	3,891,099	7,145	119,885	127,030	4,018,129	2,517,121
Insurance	97,225	21,857	72,479	191,561	75,726	153,855	229,581	421,142	343,029
Maintenance	433,769	-	7,596	441,365	28	7,480	7,508	448,873	835,721
Professional services	271,912	35,881	111,577	419,370	1,824,900	360,776	2,185,676	2,605,046	2,504,812
Bank charges	88,408	-	21	88,429	99,971	111,810	211,781	300,210	240,653
Bad debt	-	-	-	-	-	-	-	-	656,941
Conventions, meetings and workshops	2,217,216	9,239	2,456	2,228,911	2,088	38,214	40,302	2,269,213	2,666,195
Travel	572,064	90,099	13,372	675,535	5,424	27,834	33,258	708,793	1,019,970
Fees and membership	24,786	1,488	41,643	67,917	42,815	42,857	85,672	153,589	128,806
Advertising and publicity	170,087	-	-	170,087	315,333	3,733	319,066	489,153	362,351
Printing	52,987	-	74	53,061	961,642	38,632	1,000,274	1,053,335	1,191,465
Shipping, freight and storage	193,728	3,487	204,705	401,920	-	-	-	401,920	165,467
Staff training	6,246	2,043	99	8,388	204	65,461	65,665	74,053	154,535
Service contracts	495,944	2,951	38,344	537,239	10,830	288,306	299,136	836,375	985,708
Miscellaneous	11,995	-	800	12,795	2,005	2,219	4,224	17,019	32,251
<b>Total Before Other Expenses</b>	<b>20,890,199</b>	<b>472,703</b>	<b>1,830,373</b>	<b>23,193,275</b>	<b>6,124,845</b>	<b>4,545,421</b>	<b>10,670,266</b>	<b>33,863,541</b>	<b>32,036,044</b>
Other Expenses:									
Medical assistance to missions (Note 2F)	2,833,402	-	421,623,478	424,456,880	-	-	-	424,456,880	548,371,907
Donated services (Note 2F)	-	2,551,073	-	2,551,073	-	-	-	2,551,073	5,287,028
Inventory obsolescence (Note 2E)	-	-	5,719,798	5,719,798	-	-	-	5,719,798	6,612,781
Depreciation (Notes 2G and 7)	-	-	5,322	5,322	44,176	38,891	83,067	88,389	93,894
<b>Total Other Expenses</b>	<b>2,833,402</b>	<b>2,551,073</b>	<b>427,348,598</b>	<b>432,733,073</b>	<b>44,176</b>	<b>38,891</b>	<b>83,067</b>	<b>432,816,140</b>	<b>560,365,610</b>
<b>Total Operating Expenses</b>	<b>\$ 23,723,601</b>	<b>\$ 3,023,776</b>	<b>\$ 429,178,971</b>	<b>\$ 455,926,348</b>	<b>\$ 6,169,021</b>	<b>\$ 4,584,312</b>	<b>\$ 10,753,333</b>	<b>\$ 466,679,681</b>	<b>\$592,401,654</b>

The accompanying notes are an integral part of these financial statements.

**CATHOLIC MEDICAL MISSION BOARD, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Programs</u>	<u>Volunteers</u>	<u>Medical Donations Program</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total Supporting Services</u>	<u>Total 2019</u>
Salaries	\$ 8,069,652	\$ 210,233	\$ 798,457	\$ 9,078,342	\$ 1,254,618	\$ 2,135,444	\$ 3,390,062	\$ 12,468,404
Payroll taxes and fringe benefits (Note 10)	1,955,404	67,096	229,709	2,252,209	340,684	598,864	939,548	3,191,757
<b>Total Salaries and Related Costs</b>	<b>10,025,056</b>	<b>277,329</b>	<b>1,028,166</b>	<b>11,330,551</b>	<b>1,595,302</b>	<b>2,734,308</b>	<b>4,329,610</b>	<b>15,660,161</b>
Temporary help	104,982	-	-	104,982	27,905	77,396	105,301	210,283
Postage and mailing	5,976	-	53	6,029	988,656	11,809	1,000,465	1,006,494
Rent and utilities (Note 14)	608,317	39,565	117,134	765,016	101,115	157,230	258,345	1,023,361
Telephone and communications	266,574	4,834	14,296	285,704	13,303	31,713	45,016	330,720
Supplies	2,273,855	29,103	40,195	2,343,153	8,187	165,781	173,968	2,517,121
Insurance	77,539	20,284	52,117	149,940	54,279	138,810	193,089	343,029
Maintenance	822,057	141	4,690	826,888	-	8,833	8,833	835,721
Professional services	367,287	59,263	123,983	550,533	1,539,422	414,857	1,954,279	2,504,812
Bank charges	96,257	102	13	96,372	30,598	113,683	144,281	240,653
Bad debt	656,941	-	-	656,941	-	-	-	656,941
Conventions, meetings and workshops	2,588,901	16,355	4,171	2,609,427	6,744	50,024	56,768	2,666,195
Travel	841,498	79,064	24,956	945,518	10,000	64,452	74,452	1,019,970
Fees and membership	21,193	1,437	16,325	38,955	14,833	75,018	89,851	128,806
Advertising and publicity	2,328	-	-	2,328	271,629	88,394	360,023	362,351
Printing	32,500	-	-	32,500	1,106,824	52,141	1,158,965	1,191,465
Shipping, freight and storage	10,910	-	154,557	165,467	-	-	-	165,467
Staff training	33,213	7,753	-	40,966	-	113,569	113,569	154,535
Service contracts	437,774	4,699	52,889	495,362	152,576	337,770	490,346	985,708
Miscellaneous	14,936	2,283	10,502	27,721	1,555	2,975	4,530	32,251
<b>Total Before Other Expenses</b>	<b>19,288,094</b>	<b>542,212</b>	<b>1,644,047</b>	<b>21,474,353</b>	<b>5,922,928</b>	<b>4,638,763</b>	<b>10,561,691</b>	<b>32,036,044</b>
Other Expenses:								
Medical assistance to missions (Note 2F)	2,046,608	-	546,325,299	548,371,907	-	-	-	548,371,907
Donated services (Note 2F)	-	5,287,028	-	5,287,028	-	-	-	5,287,028
Inventory obsolescence (Note 2E)	-	-	6,612,781	6,612,781	-	-	-	6,612,781
Depreciation (Notes 2G and 7)	-	-	10,827	10,827	44,176	38,891	83,067	93,894
<b>Total Other Expenses</b>	<b>2,046,608</b>	<b>5,287,028</b>	<b>552,948,907</b>	<b>560,282,543</b>	<b>44,176</b>	<b>38,891</b>	<b>83,067</b>	<b>560,365,610</b>
<b>Total Operating Expenses</b>	<b>\$ 21,334,702</b>	<b>\$ 5,829,240</b>	<b>\$ 554,592,954</b>	<b>\$ 581,756,896</b>	<b>\$ 5,967,104</b>	<b>\$ 4,677,654</b>	<b>\$ 10,644,758</b>	<b>\$ 592,401,654</b>

The accompanying notes are an integral part of these financial statements.

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 9,713,030	\$ (153,194,512)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	88,389	93,894
(Increase) Decrease in inventory (net of inventory obsolescence)	(9,629,965)	154,208,089
Bad debt	-	656,941
Realized gain on sale of investments and gift annuity investments	(27,496)	(30,602)
Unrealized gain on investments and gift annuity investments	(821,972)	(325,588)
Increase (decrease) in discount of charitable lead annuity trust	(62,251)	608,584
Change in valuation of gift annuity payable	7,693	176,149
Change in valuation of charitable remainder annuity trust payable	117	477
Deferred rent	<u>(53,930)</u>	<u>(39,673)</u>
 Subtotal	 (786,385)	 2,153,759
Changes in operating assets and liabilities:		
(Increase) decrease in accrued interest and other receivables	(67,475)	9,980
(Increase) decrease in contributions and pledges receivable	(588,998)	(256,546)
Decrease (increase) in government grants receivable	559,609	(821,819)
Increase in prepaid expenses	(40,121)	(30,093)
Decrease (Increase) in beneficial interest in charitable lead annuity trust	547,525	(4,996,537)
Increase (decrease) in accounts payable and accrued expenses	1,053,201	(529,312)
Increase in refundable advances	4,141,980	-
(Decrease) increase in deferred revenue	<u>(869,829)</u>	<u>1,078,852</u>
 <b>Net cash provided by (used in) operating activities</b>	 <u>3,949,507</u>	 <u>(3,391,716)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of marketable securities and gift annuity investments	49,616	3,833,420
Purchases of marketable securities and gift annuity investments	-	(584,907)
Purchases of property and equipment	<u>(68,167)</u>	<u>-</u>
<b>Net cash (used in) provided by investing activities</b>	<u>(18,551)</u>	<u>3,248,513</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of gift annuity obligations	<u>(17,983)</u>	<u>(93,425)</u>
 <b>Net cash used in financing activities</b>	 <u>(17,983)</u>	 <u>(93,425)</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 3,912,973	 (236,628)
 Cash and cash equivalents at beginning of year	 <u>5,283,805</u>	 <u>5,520,433</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <u>\$ 9,196,778</u>	 <u>\$ 5,283,805</u>

The accompanying notes are an integral part of these financial statements.



**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

**NOTE 1 – ORGANIZATION**

The Catholic Medical Mission Board, Inc. (the “Organization” or “CMMB”) was incorporated in New York in 1928 as a nonprofit corporation. CMMB delivers quality healthcare services and medicines to people in need throughout the world. The Organization builds sustainable healthcare programs that target leading causes of illness, suffering and death. The Organization strives to strengthen local capabilities through its programs. The healthcare programs provided include integrated management of childhood illness, primary healthcare and HIV and AIDS prevention, treatment of HIV-infected individuals, voluntary counseling and testing, improving access to medical services, training nurses and doctors in prevention, care and counseling.

The Organization ships medicines and supplies to local care providers in resource-poor countries. These medicines are dispensed and distributed free of charge. CMMB places doctors, nurses and other volunteers in locations where their professional expertise is urgently needed. The Organization also provides disaster relief to regions hit by natural or political catastrophes.

The Organization operates throughout the world and maintains offices in New York, Haiti, Kenya, Peru, South Sudan and Zambia.

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. *Basis of accounting*** – The Organization prepares its financial statements on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. *Basis of presentation*** – The Organization classifies its support depending upon the absence or existence of donor-imposed restrictions or stipulations:
- Without donor restrictions – This is support which can be used for any legal purpose, over which the Board of Directors has discretionary control.
  - With donor restrictions – This represents net assets subject to donor-imposed restriction that specifies the use of the support and is satisfied either through the passage of time or by the Organization’s actions and permits the Organization to use or expend part of the support. When a donor-imposed restriction expires (that is, when a stipulated time restriction ends, or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and is reported in the statements of activities as net assets released from restrictions.
- C. *Cash and cash equivalents*** – For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.
- D. *Investments*** – Investments in marketable securities and gift annuity investments are stated at fair market value as discussed further at Note 20. Unrealized and realized gains and losses and investment income are reported in the statements of activities as increases or decreases in net assets without donor restrictions.
- E. *Inventory*** – Purchased inventory is stated at the lower of cost or net realizable value, and donated inventory is generally stated at wholesale acquisition cost which approximates fair value as discussed further at Note 2F.

**CATHOLIC MEDICAL MISSION BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Donated pharmaceuticals, equipment, supplies and services** – In accordance with U.S. GAAP, industry standards and guidelines established by Partnership for Quality Medical Donations, (“PQMD”) donated pharmaceuticals, equipment, supplies and services are recognized in the financial statements on the date received at their estimated fair market value. The Organization’s management estimates the fair value of donated pharmaceuticals on the basis of the wholesale acquisition costs listed in professional reference materials primarily, Thomson Reuters “Red Book” which is an industry recognized drug and pricing reference guide for the pharmaceutical industry in the United States. The wholesale acquisition cost is the approximate selling value of the pharmaceuticals in their principal exit market considering the condition and utility for use at the time the pharmaceuticals are donated. The fair values of donated equipment and supplies are estimated on the basis of prices listed in online reference materials and provided by manufacturers. CMMB’s policy is to distribute the donated pharmaceuticals, equipment and supplies as soon as they are available for use or distribution. However, if the donated pharmaceuticals, equipment and supplies are not distributed, they are reflected as inventory and not expensed until released from CMMB’s inventory. For the years ended September 30, 2020 and 2019, the Organization received donated pharmaceuticals, equipment and supplies of approximately \$437,000,000 and \$399,000,000, respectively. For the years ended September 30, 2020 and 2019, the Organization had obsolescence of inventory of approximately \$5,700,000 and \$6,600,000, respectively, due to the expiration of products prior to distribution.

The Organization also received donated services provided by licensed professionals as follows:

	September 30,	
	2020	2019
	Days	Days
Licensed professionals	5,018	10,980

Donated services are recognized only if such services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The total estimated fair market value of the licensed professionals donated services, determined using the rates published by the United States Bureau of Labor Statistics from the most recent year, for the years ended September 30, 2020 and 2019 was approximately \$2,600,000 and \$5,300,000, respectively, which was recorded in the accompanying statements of activities, as these services meet the aforementioned criteria.

- G. Property and equipment** – Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from five to fifty years. The Organization capitalizes property and equipment with a cost of \$5,000 or more and a useful life greater than one year. Certain purchases of equipment are expensed by the Organization rather than capitalizing because the cost of these items was reimbursed by governmental funding sources where the contractual agreement specifies that title to these assets rest with the governmental funding source rather than the Organization.
- H. Allowance for uncollectible accounts** – The Organization evaluates the need for an allowance for uncollectible accounts based on a combination of factors such as management’s assessment of the creditworthiness of its donors and funders, a review of individual accounts outstanding, aged basis of the receivables, current economic conditions and historical experience. An allowance of \$185,998 and \$200,000 for uncollectible accounts was considered necessary at September 30, 2020 and 2019, respectively.
- I. Deferred revenue** – Deferred revenue represents funding received in advance of program services being provided by the Organization.

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- J. *Deferred rent*** – The Organization leases real property under an operating lease. Since the rent payments increase over time, the Organization records an adjustment to rent expense to reflect its straight-lining policy. Straight-lining of rent gives rise to a timing difference that is reflected in the accompanying statements of financial position. As of September 30, 2020 and 2019, such deferral amounted to \$200,473 and \$254,403, respectively.
- K. *Government grants*** – Government grants are recognized as revenue when the expenses authorized under the contracts are incurred. Pursuant to the Organization’s contractual relationships with certain governmental funding sources, outside governmental agencies have the right to examine the books and records of the Organization involving transactions relating to these contracts. Government grants are accounted under ASU 2018-08. Multi-year governmental contracts included under government grants are renewable by the Organization annually at the discretion of the funder and as such no future funding under the government grants for the year ended September 30, 2021 have been disclosed.
- L. *Use of estimates*** – In preparing the financial statements in conformity with U.S. GAAP, the Organization makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.
- M. *Gift annuity program*** – The Organization has a gift annuity program whereby it receives contributions from participating donors. Under the arrangement, the Organization agrees to pay certain sums to the donors at prescribed intervals over the lives of the donors or other beneficiaries. The assets received are recorded at their fair value and the related liability is recorded as an annuity obligation at the present value of the estimated future payments to be distributed by the Organization, based on expected mortality and a discount rate. The amount of contribution to the Organization is the difference between the asset and the computed liability.
- N. *Functional allocation of expenses*** – The cost of providing the various program and supporting services has been summarized on a functional basis in the statements of functional expenses. Accordingly, expenses that are not directly charged to a specific program, grant, or supporting service are allocated among programs and supporting services. The expenses that are allocated include occupancy, telephone, insurance, payroll taxes, and benefits, which are allocated on the basis of headcount.
- O. *Fair value measurements of financial instruments*** – Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.
- P. *Investment spending policy*** – The Organization’s Board has authorized a policy to invest in accordance with sound investment practices that emphasize long-term investment fundamentals. The objective of this is to maximize long-term returns consistent with prudent levels of risk. Investment returns earned are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of the investments. In establishing the investment objectives, the Organization has taken into account the time horizon available for the investment, the nature of the investment, and other factors that affect the Organization’s risk tolerance. Accordingly, the investment objective is a balanced approach that emphasizes a stable, moderate level of appreciation over the long-term, net of investment costs and spending. Investments are expected to meet or exceed the return of the policy benchmark over a market cycle, expected to be a three to five-year time period. In 2014, the Organization’s Board designated the investments as a Board designated fund. For the initial five years, the earnings are to be reinvested in the fund. After the initial five-year period, beginning in 2019, earnings can be used for operations at a rate of 4% of the rolling fair market value of the Fund over a three-year period. The board designated fund activities are further described in Note 12.

**CATHOLIC MEDICAL MISSION BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q.** FASB ASU 2018-08, “Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made” (Topic 958) was adopted by the Organization for the year ended September 30, 2020. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional. The adoption of ASU 2018-08 did not result in changes as the funding received from contributors are nonreciprocal transactions where the contributors do not receive direct benefit.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, a board designated fund, and a line of credit.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one year of the statements of financial position date to meet general expenditures as of September 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 9,196,778	\$ 5,283,805
Accrued interest and other receivables	394,150	326,675
Contributions and pledges receivable due within one year	1,760,583	1,004,919
Beneficial interest in charitable lead annuity trust due within one year	547,525	547,525
Government grants receivable, net	966,560	1,526,169
Investments, net of board designated funds	3,097,076	3,038,640
Net assets with donor restrictions	<u>(8,042,326)</u>	<u>(8,470,161)</u>
	<u>\$ 7,920,346</u>	<u>\$ 3,257,572</u>

The Organization also has Board Designated funds of approximately \$20.3 and \$19.6 million as of September 30, 2020 and 2019, respectively. The Board has the ability to release these funds upon its discretion as needed.

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described below:

Level 1: Valuations based on quoted price (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

**CATHOLIC MEDICAL MISSION BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Level 3: Valuations based on unobservable inputs are used when little or no market data exists. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Financial assets carried at fair value at September 30, 2020 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments:			
Treasury Bills	\$ 3,512,597	\$ -	\$ 3,512,597
Mutual Funds			
Growth Funds	-	6,269,325	6,269,325
Inflation Funds	-	1,904,331	1,904,331
Deflation Funds	<u>-</u>	<u>5,019,041</u>	<u>5,019,041</u>
Subtotal	<u>\$ 3,512,597</u>	<u>\$ 13,192,697</u>	<u>16,705,294</u>
Alternative investments valued at net asset value per share practical expedient			<u>6,651,932</u>
Total Assets Carried at Fair Value			<u>\$ 23,357,226</u>

Gift annuity investments:

Mutual funds			
Large Cap Equities	\$ 1,278,224	\$ -	\$ 1,278,224
International Equities	722,930	-	722,930
Diversified	171,128	-	171,128
Fixed Income	1,320,133	-	1,320,133
Fixed income			
U.S. Corporate Bonds	<u>-</u>	<u>446,763</u>	<u>446,763</u>
Total gift annuity investments	<u>\$ 3,492,415</u>	<u>\$ 446,763</u>	<u>\$ 3,939,178</u>

Financial assets carried at fair value at September 30, 2019 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments:			
Treasury Bills	\$ 3,041,804	\$ -	\$ 3,041,804
Mutual Funds			
Growth Funds	-	5,924,635	5,924,635
Inflation Funds	-	2,251,908	2,251,908
Deflation Funds	<u>-</u>	<u>4,636,161</u>	<u>4,636,161</u>
Subtotal	<u>\$ 3,041,804</u>	<u>\$ 12,812,704</u>	<u>15,854,508</u>
Alternative investments valued at net asset value per share practical expedient			<u>6,879,466</u>
Total Assets Carried at Fair Value			<u>\$ 22,733,974</u>

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
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**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

Gift annuity investments:

Mutual funds			
Large Cap Equities	\$ 1,214,768	\$ -	\$ 1,214,768
International Equities	705,002	-	705,002
Diversified	160,545	-	160,545
REIT	209,407	-	209,407
Fixed Income	1,200,598	-	1,200,598
Fixed income			
U.S. Corporate Bonds	<u>-</u>	<u>272,258</u>	<u>272,258</u>
Total gift annuity investments	<u>\$ 3,490,320</u>	<u>\$ 272,258</u>	<u>\$ 3,762,578</u>

Investments in treasury bills and mutual funds are valued using real-time quotes or market prices for similar funds in active markets (Levels 1 and 2). Growth Funds, Inflation Funds, Deflation Funds and Corporate Bonds are designated as Level 2 instruments and valuations are obtained from readily-available pricing sources for comparable instruments (credit risk/grade, maturities, etc.). The Organization holds Level 2 instruments and alternative investments valued at net asset value per share with Ascension Investments as of September 30, 2020 and 2019. There are no redemption restrictions or unfunded commitments on the investments.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended September 30, 2020 and 2019, there were no transfers.

Investments are subject to market volatility that could substantially change their carrying value in the near term. The investment return and its classification in the statements of activities for the years ended September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 456	\$ 453
Realized (loss) gain on sale of investments	(2,100)	6,604
Unrealized gain on investments	623,252	202,568
Less: Investment fees	<u>(50,000)</u>	<u>(50,150)</u>
Total	<u>\$ 571,608</u>	<u>\$ 159,475</u>

For each of the years ended September 30, 2020 and 2019, investment fees amounted to \$50,000 and \$50,150, respectively.

**NOTE 5 – CONTRIBUTIONS AND PLEDGES RECEIVABLE**

At September 30, 2020 and 2019, contributions and pledges receivable consist of:

	<u>2020</u>	<u>2019</u>
Various individual pledges	\$ 406,714	\$ 722,082
Grants	<u>1,353,869</u>	<u>449,503</u>
Total	<u>\$ 1,760,583</u>	<u>\$ 1,171,585</u>

All contributions and pledges receivable as of September 30, 2020, are expected to be collected during the year ending September 30, 2021.

**CATHOLIC MEDICAL MISSION BOARD, INC.  
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**NOTE 6 – BENEFICIAL INTEREST IN CHARITABLE LEAD ANNUITY TRUST**

During the year ended September 30, 2019, the Organization was named a beneficiary in a charitable lead annuity trust totaling approximately \$5,500,000, to be paid over 10 years. The Organization determined the discount factor of 2.7%, which represents a risk adjusted market rate on U.S. Treasury securities. The amounts expected to be collected are restricted due to time only and can be used for general operations and are due as follows as of September 30:

	<u>2020</u>	<u>2019</u>
Amount due in less than one year	\$ 547,525	\$ 547,525
Amount due from one to five years	2,737,625	2,737,625
Thereafter	<u>1,163,862</u>	<u>1,711,387</u>
	4,449,012	4,996,537
Less: Unamortized discount to present value	<u>(546,333)</u>	<u>(608,584)</u>
Total	<u>\$ 3,902,679</u>	<u>\$ 4,387,953</u>

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 39,900	\$ 39,900
Warehouse	346,344	346,344
Warehouse improvements	557,182	557,182
Warehouse equipment	72,360	72,360
Computer equipment	289,048	220,881
Leasehold Improvements	<u>195,559</u>	<u>195,559</u>
Total property and equipment	1,500,393	1,432,226
Less: accumulated depreciation	<u>(1,214,019)</u>	<u>(1,125,630)</u>
Total property and equipment, net	<u>\$ 286,374</u>	<u>\$ 306,596</u>

Depreciation expense amounted to \$88,389 and \$93,894 for the years ended September 30, 2020 and 2019, respectively.

**NOTE 8 – REFUNDABLE ADVANCES**

- A. The Organization obtained a \$741,980 loan under the Paycheck Protection Program (“PPP”) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. No contribution revenue has been recorded for the year ended September 30, 2020. The Organization will be required to repay any remaining balance, plus interest accrued at 1% per annum in monthly payments on any portion of the PPP loan not forgiven. No payments are required prior to the loan forgiveness application being submitted which is due within ten months of the completion of the covered period. Principal and interest payments will be required through the maturity date, April 5, 2022.
- B. During the year ended September 30, 2020, the Organization received a conditional contribution in the amount of \$10,000,000. The grant is subject to various milestones being met and as a result has not been recognized as contribution revenue for the year ended September 30, 2020. Of the total conditional grant, \$3,400,000 was received during fiscal 2020, and is included in the statement of financial position as refundable advances.

**CATHOLIC MEDICAL MISSION BOARD, INC.  
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**NOTE 9 – GIFT ANNUITY PROGRAM**

The Organization has a gift annuity program whereby donors transfer assets to the Organization, and the donor or specified beneficiaries receive fixed payments for the remainder of their lifetimes. A number of factors, including the amount placed in the gift annuity and the age of the donor or beneficiary, determine the amount of the fixed payment to the donor or beneficiary. Amounts received from donors are allocated between contribution support and gift annuity payable based on a predetermined formula. Contribution revenue amounted to \$109,901 and \$14,285 for the years ended September 30, 2020 and 2019, respectively.

Gift annuity program investment return is included in the accompanying statements of activities for the years ended September 30, 2020 and 2019, and is summarized below:

	2020	2019
Dividends and interest	\$ 22,525	\$ 18,058
Realized gain on sale of gift annuity investments	29,596	23,998
Unrealized gain on gift annuity investments	198,720	123,020
Less: Investment fees	(35,635)	(35,597)
Total	\$ 215,206	\$ 129,479

For the years ended September 30, 2020 and 2019, investment fees amounted to \$35,635 and \$35,597, respectively.

**NOTE 10 – RETIREMENT PLAN**

The Organization sponsors a savings plan under Section 401(k) of the Internal Revenue Code called the Catholic Medical Mission Board, Inc. 401(k) Savings Plan (the “401(k) Plan”). The 401(k) Plan allows eligible employees to contribute up to 20% of their compensation on a pre-tax basis, subject to an annual limitation per employee. The Organization contributes up to one-half of the first 6% of annual eligible compensation of employees participating.

The Organization also has the option of making a discretionary contribution to the 401(k) Plan. For the years ended September 30, 2020 and 2019, the Organization contributed \$426,223 and \$409,502, respectively, to the 401(k) Plan.

**NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS**

The net assets with donor restrictions consist of the following at September 30:

	2020	2019
Haiti grants	\$ 1,196,847	\$ 1,013,899
Country level health related training	68,175	304,000
Medical Volunteer Program restricted funds	239,942	321,944
Medical Donations Program	300,823	534,309
Disaster Relief	365,823	598,891
Peru Grants	265,051	299,809
Zambia Grants	663,244	584,045
Kenya Grants	68,727	41,541
South Sudan Grants	268,285	135,007
Sudan	122,556	105,183
Children and Mothers Partnerships	113,740	108,305
Restricted for time	3,846,396	4,393,921
Other	522,717	29,307
	\$ 8,042,326	\$ 8,470,161



**CATHOLIC MEDICAL MISSION BOARD, INC.  
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**NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets of \$6,230,705 and \$4,622,896 were released from restrictions during the years ended September 30, 2020 and 2019, respectively, as a result of satisfying purpose restrictions.

**NOTE 12 – BOARD DESIGNATED NET ASSETS**

The Organization's Board designated fund investment policy is to invest primarily in mutual funds based on an asset allocation, approved by the Board of Directors, to satisfy its overall Board designated fund financial and investment objectives. The overall investment objective is to maximize the total return from income (dividends and interest) and the appreciation of investments. The policy for valuing the Organization's investments is described in Note 2D.

The Organization's board designated fund is designated by the Board of Directors as noted in Note 2P.

Changes in board designated net assets are as follows for the years ended September 30::

	2020	2019
Board designated net assets, beginning of year	\$ 19,695,334	\$ 20,213,016
Transfer from Board designated fund	-	(652,500)
Investment activity:		
Unrealized gain on investments	564,816	134,818
Total investment activity	564,816	134,818
Board designated net assets, end of year	\$ 20,260,150	\$ 19,695,334

**NOTE 13 – CHARITABLE REMAINDER ANNUITY TRUST**

In September 1997, the Organization was named as trustee for a charitable remainder annuity trust ("CRAT"). The CRAT is required to make annual payments to the donors equal to 7.1% of the net fair market value of the contributed assets as of the date the agreement was executed. Upon the death of the donors, the trustee is required to distribute the assets of the trust to the Little Sisters of the Poor of Los Angeles in the amount of the lesser of fifty percent of the assets or \$1,000,000, and the remainder to the Organization. The fair market value of the trust assets at September 30, 2020 and 2019 was \$5,790 and \$13,516, respectively. For the years ended September 30, 2020 and 2019, actuarial calculations used to measure the Organization's related liability assumed a discount rate of 7.5% and used the 1983 Individual Annuity Mortality Table.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

- A. In April 2015, the Organization entered into a lease agreement for office space, expiring in 2022, for its New York City headquarters. In connection with the lease, the Organization received four months of free rent and reimbursement from the landlord for leasehold improvements of approximately \$430,000. The reimbursement from the landlord for leasehold improvements, as well as the value of the four months of free rent, have been recorded as a deferred rent obligation and are being amortized over the lease term. Rental expense for this space is recorded on a straight-line basis.

For each of the five years ended after September 30, 2020, the future minimum rentals under the lease agreement is as follows:

2021	\$ 468,000
2022	468,000
2023	116,000
	\$ 1,052,000

**CATHOLIC MEDICAL MISSION BOARD, INC.**  
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**NOTE 14 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Rental expenses included in the accompanying statements of functional expenses for the years ended September 30, 2020 and 2019 amounted to \$866,712 and \$847,016, respectively.

- B. The Organization is a defendant in a legal action arising out of the normal course of its operations, including a matter underway with the Office of the California Attorney General. The final outcome of such action cannot be determined at this time and is currently undergoing an appeal process.
- C. The Organization has no uncertain tax positions as of September 30, 2020 and 2019 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- D. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization’s business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19’s impact on its business in future periods. Its performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Organization continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results.

**NOTE 15 – CONCENTRATIONS**

- A. ***Credit Risk*** – Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with various financial institutions that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Interest bearing accounts are insured up to \$250,000 per depositor.

As of September 30, 2020 and 2019, there was approximately \$6,299,000 and \$2,853,000, respectively, of cash and cash equivalents with one financial institution that exceeded FDIC limits.

- B. ***Donated Pharmaceuticals, Equipment and Supplies*** – One pharmaceutical company accounted for approximately 67% and 61% of the donated pharmaceuticals, equipment and supplies for the years ended September 30, 2020 and 2019, respectively.

**NOTE 16 – CHANGE IN NET ASSETS**

For the year ended September 30, 2020, the Organization had an increase in net assets of approximately \$9.7 million. This increase was due to the timing of receipts of donated pharmaceuticals, which exceeded the amount distributed by the end of fiscal year 2020. This difference is included in inventory as of September 30, 2020.

For the year ended September 30, 2019, the Organization had a decrease in net assets of approximately \$153 million. This decrease was due to timing of receipts of donated pharmaceuticals at the end of fiscal year 2018, which were not distributed until fiscal year 2019.

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated events subsequent to the date of the statement of financial position through December 18, 2020, the date the financial statements were available to be issued.