Adira Foundation

Financial Statements

Year Ended December 31, 2020

Keiter
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ADIRA FOUNDATION

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors
Adira Foundation
Richmond, Virginia

We have reviewed the accompanying financial statements of Adira Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

Keiter

September 23, 2021
Glen Allen, Virginia

Certified Public Accountants & Consultants
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ADIRA FOUNDATION

Statement of Financial Position
December 31, 2020

Assets

Cash and cash equivalents	$	321,714
Investments:		
Money market funds		483,398
Asset-backed securities		2,094,016
Total investments		2,577,414
Prepaid expenses and other assets		4,514
Property and equipment, net		12,699
Total assets	$	2,916,341

Liabilities and Net Assets

Accounts payable	$	9,818
Accrued expenses		51,419
Grants payable		360,000
Paycheck Protection Program Loan payable		133,620
Total liabilities		554,857
Net assets - without donor restrictions		2,361,484
Total liabilities and net assets	$	2,916,341

See report of independent accountants and accompanying notes to financial statements.

ADIRA FOUNDATION

Statement of Activities
Year Ended December 31, 2020

Revenues, net:	
Contributions	$ 42,420
Gifts in kind	7,000
Investment income (loss), net of account fees of $5,110	(756)
Miscellaneous income	127
Total revenues, net	48,791
Expenses:	
Program services	1,102,615
Management and general	533,132
Fundraising	295,560
Total expenses	1,931,307
Other income (loss):	
Contribution from Caring Voice Coalition (see Note 3)	4,222,044
Loss on disposal of property and equipment	(51,522)
Total other income:	4,170,522
Change in net assets	2,288,006
Net assets - without donor restrictions, beginning of year	73,478
Net assets - without donor restrictions, end of year	$ 2,361,484

See report of independent accountants and accompanying notes to financial statements.

ADIRA FOUNDATION

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Compensation and payroll taxes	$ 329,368	$ 279,134	$ 224,241	$ 832,743
Grant expenses	689,632	-	-	689,632
Legal and professional fees	82,235	112,672	29,100	224,007
Occupancy	-	82,876	-	82,876
Administrative expenses	-	43,158	-	43,158
Marketing and communications	-	-	29,743	29,743
Office expenses	1,380	9,970	1,300	12,650
Travel and meetings	-	-	11,176	11,176
Depreciation	-	5,322	-	5,322
Total expenses	$ 1,102,615	$ 533,132	$ 295,560	$ 1,931,307

See report of independent accountants and accompanying notes to financial statements.

ADIRA FOUNDATION

Statement of Cash Flows
Year Ended December 31, 2020

Cash flows from operating activities:	
Change in net assets	$ 2,288,006
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	5,322
Loss on disposal of property and equipment	51,522
Investment loss, net	756
Changes in operating assets and liabilities:	
Prepaid expenses and other assets	686
Accounts payable and accrued expenses	(33,094)
Accrued expenses	25,198
Grants payable	360,000
Net cash provided by operating activities	2,698,396
Cash flows used in investing activities:	
Purchases of investments	(2,578,170)
Cash flows provided by financing activities:	
Proceeds from Paycheck Protection Program Loan	133,620
Net change in cash and cash equivalents	253,846
Cash and cash equivalents, beginning of year	67,868
Cash and cash equivalents, end of year	$ 321,714

See report of independent accountants and accompanying notes to financial statements.

ADIRA FOUNDATION

Notes to Financial Statements

1. Organization and Nature of Activities:

Adira Foundation (the “Foundation”), formerly known as Facilitating Patient Health, was formed in 2018 as a not-for-profit corporation in Richmond, Virginia whose purpose is to provide a collaborative network of cross-disciplinary care and resources, including granting funds, to make it easier for patients to navigate the healthcare system and to provide a better understanding of neurodegenerative diseases. The Foundation’s program activities have followed the Foundation’s listen, learn and act approach to improve the lives of individuals impacted by neurodegenerative diseases. The Foundation focuses on the neurodegenerative diseases that are highly complex and have much in common: Alzheimer’s Disease, ALS, Huntington’s Disease, Multiple Sclerosis and Parkinson’s Disease

2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“GAAP”) as determined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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: The Foundation considers all highly liquid investment instruments with an original maturity at purchase of three months or less to be cash equivalents.

Investments: Investments consist of money market funds and asset-backed securities. These investments are measured at fair value based on the most recent trade price with gains and losses included in the statement of activities. Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risk in the near term could materially affect amounts reported on the financial statements.

2. Summary of Significant Accounting Policies, Continued:

Concentrations of Credit Risk: Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash equivalents and investments.

The Foundation maintains its cash balances with a high credit quality financial institution whose credit rating is monitored by management to minimize credit risk. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Foundation's investments are maintained in an account held at a separate financial institution. The Foundation periodically has funds in excess of the FDIC limit.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Improvements and replacements are capitalized when costs exceed $2,500, while the costs of maintenance and repairs, which do not improve or extend the useful lives of the respective assets, are expensed. Depreciation is computed by the straight-line method over the estimated useful lives of the related assets which are 5 years for computers and computer equipment. Upon retirement or sale of an asset, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

Compensated Absences: Employees of the Foundation are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Foundation's policy is to recognize the costs of compensated absences when actually paid to employees.

Paycheck Protection Program Loan: In response to the economic instability caused by COVID-19, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed by Congress and signed into law by the President on March 27, 2020. The Paycheck Protection Program was a component of the CARES Act and provided for loans ("PPP Loan") to provide a direct incentive for employers to keep their employees on the payroll. A PPP Loan is eligible for full or partial forgiveness if the funds are used for qualifying costs including payroll, rent, mortgage interest, or utilities, as further defined in the CARES Act. The Foundation's policy is to account for the PPP Loan (see Note 8) as a liability as it had not filed for forgiveness as of December 31, 2020. The PPP Loan was subsequently forgiven on June 19, 2021 and will be included on the 2021 financial statements as grant income.

Contributions: Unconditional contributions are recognized as revenues when received. They are recognized at fair value and are classified in the appropriate net asset class based on donor stipulations. Conditional contributions are recognized as revenues when conditions are substantially met.

2. Summary of Significant Accounting Policies, Continued:

Net Assets: The financial statements report amounts separately by class of net assets as follows:

Net assets without donor restriction are those funds that have no donor-imposed restriction on the Foundation as to their use, purpose, or timing. The funds are currently available, at the discretion of the Board of Directors, for use in the Foundation's operations. There were no Board designated net assets as of December 31, 2020.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Foundation had no net assets with donor restrictions at December 31, 2020.

Grants: The Foundation makes grants primarily to organizations that qualify as public charities under the Internal Revenue Code. Grants are recognized as an expense when the conditions governing the grant have been met. All unconditional grants are payable within one year. As of December 31, 2020, there were $360,000 grants approved but not paid.

Advertising Costs: Marketing costs are expensed as incurred and are reported as marketing and communications expense on the statement of functional expenses.

Functional Allocation of Expenses: The statement of functional expenses presents expenses by function and natural classification. Expenses that can be identified with a specific program or supporting service are allocated directly. Costs that benefit multiple functional areas, primarily salaries, have been allocated across programs and supporting services based on time and effort incurred.

Income Taxes: Adira Foundation is not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Income Tax Uncertainties: Management has evaluated the effects of accounting guidance related to uncertain income tax positions and concluded that the Foundation had no significant financial statement exposure to uncertain income tax positions at December 31, 2020. The Foundation is not currently under audit by any tax jurisdiction.

Subsequent Events: Management has evaluated subsequent events through September 23, 2021, the date the financial statements were available to be issued, and has determined that other than the forgiveness of the Paycheck Protection Program loan (see Note 8), there are no subsequent events to be reported in the accompanying financial statements.

3. Contribution from Caring Voice Coalition:

On March 15, 2019, the Foundation entered into an agreement with Caring Voice Coalition, Inc., a 501(c)(3) non-profit corporation ("CVC"). CVC was in the process of winding down operations and desired to support the Foundation's charitable mission, purpose and operations. Under the agreement, CVC provided grants to the Foundation for the purposes and support of the Foundation's operations and administration, not to exceed a total of $3 million prior to June 1, 2019. After July 1, 2019, under the agreement, CVC was to provide the Foundation the remainder of CVC's unrestricted funds. During the year ended December 31, 2020, the Foundation received $4,222,044 in contributions from CVC under this agreement.

4. Liquidity and Availability of Resources:

The following table reflects the Foundation's financial assets as of December 31, 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets at year-end:	
Cash and cash equivalents	$ 321,714
Investments	2,577,414
Total financial assets	2,899,128
Less those unavailable for general expenditure within one year, due to:	
Investments not readily convertible to cash	(2,094,016)
Financial assets available to meet cash needs for general expenditures within one year	$ 805,112

The Foundation's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

5. Property and Equipment:

Property and equipment at December 31, 2020 consisted of:

Furniture and fixtures and equipment	$ 31,840
Less: accumulated depreciation	(19,141)
Property and equipment, net	$ 12,699

Depreciation expense was $5,322 for 2020.

6. Investments:

Fair values by investment category are disclosed in Note 7. Investment income (loss), net consists of the following for the year ended December 31, 2020:

Interest income	$ 52,197
Net unrealized loss	(47,843)
Account fees	(5,110)
Investment income (loss), net	$ (756)

7. Fair Value Measurements:

FASB has issued guidance for measurement and disclosure of fair value and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.

Level 3 Inputs to the valuation methodology are unobservable for the instrument and significant to the fair value measurement.

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments carried or disclosed at fair value:

7. Fair Value Measurements, Continued:

Money market fund: Valued at the realizable cash value equivalent to the specific sum of money held by the Foundation at year end.

Asset-backed securities: Valued at the estimated fair value using models that consider estimated cash flows and benchmark yields. Included in Level 2 of the fair value hierarchy when inputs are observable and in Level 3 when inputs are unobservable.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 483,398	$ -	$ -	$ 483,398
Asset-backed securities	-	2,094,016	-	2,094,016
Total investments	$ 483,398	$ 2,094,016	$ -	$ 2,577,414

The Foundation's investments in asset-backed securities are subject to restrictions on redemptions. At December 31, 2020, there were no restrictions on redemptions.

8. Paycheck Protection Program:

The Foundation applied for and was approved for a PPP Loan in the amount of $133,620. The loan was funded in May 2020 and accrues interest at 1.0% and loan payments begin either (1) the date the Small Business Association remits the borrower's loan forgiveness amount to the lender or (2) if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

Although the Foundation believes it has used the loan proceeds for qualifying costs, and as a result, believes the PPP Loan will be fully forgiven, the Foundation has elected to recognize the PPP Loan as a liability as of December 31, 2020 as the Foundation had not yet filed for loan forgiveness at that date. The PPP Loan was subsequently forgiven on June 19, 2021 and will be included on the 2021 financial statements as grant income.

9. Defined Contribution Retirement Plan:

The Foundation maintains a retirement plan which covers all full-time employees. The Foundation makes matching contributions up to 4% of gross salaries. Total retirement plan expense for 2020 was $19,955.

10. In-Kind Contributions:

The Foundation leased office space from EveryLife Foundation during 2020 for $1,000 per month under an agreement that expires January 31, 2021. In May 2020, EveryLife Foundation notified the Foundation that it would waive its rent from June 1, 2020 through December 31, 2020. As such, an in-kind contribution of $7,000 was recorded to reflect a non-cash contribution and rent expense for the waived period.

11. Risks and Uncertainties:

In March 2020, COVID-19 was declared a worldwide health pandemic and has had a significant impact on the national and global economy. As a result of COVID-19, the Foundation received a PPP Loan (see Note 8). The ultimate impact of COVID-19 on the Foundation is unknown; however, management and the Board of Directors continue to monitor the impact of COVID-19 on the Foundation's mission and operations to appropriately reflect the impact on its financial statements.

From time to time, the Foundation is involved in litigation and regulatory matters that it considers the be incidental to its business. The Foundation is not presently involved in any legal proceedings or regulatory matters which management expects individually or in the aggregate to have a material adverse effect on its financial condition or results of operations.

12. Indemnification:

Under its articles of incorporation, the Foundation has certain obligations to indemnify its officers and members of the Board of Directors for certain events or occurrences while the officer or member is, or was serving, at the Foundation's request in such capacities. The maximum liability under these obligations is limited by the code of Virginia. The Foundation believes that the estimated fair value of these indemnification obligations is minimal.

13. Accounting Standards Updates:

Contributed Services: In September 2020, the FASB issued new guidance related to contributions of non-financial assets received (ASU 2020-07) which amends previous guidance concerning presentation and disclosure of non-financial assets received. Specifically, the amendments require (1) presentation as a separate line item of contributed non-financial assets and (2) disclosure of information about each category of non-financial assets. The new standard will be effective for periods beginning after June 15, 2021 and will require entities to use a retrospective approach to the earliest period presented. The Foundation is currently evaluating the reporting and economic implications of the new standard.

13. Accounting Standards Updates, Continued:

Leases: In February 2016, the FASB issued new guidance over leases (ASU 2016-02) which requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standard will require entities to classify leases as either a finance, or operating lease based upon the contractual terms. For finance leases, the right to use asset and lease liability will be calculated based upon the present value of the lease payments. The asset will then be amortized and the interest on the obligation will be recognized separately within the statement of activities. For operating leases, the right to use asset and lease liability will also be calculated based upon the present value of the lease payments. However, the cost of the lease will generally be allocated over the lease term on a straight-line basis and presented as a single expense on the statement of activities.

The new standard will be effective for periods beginning after December 15, 2021, and will require entities to use a modified retrospective approach to the earliest period presented. The Foundation is currently evaluating the reporting and economic implications of the new standard.