

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

**FINANCIAL STATEMENTS
YEARS ENDED
JUNE 30, 2020 AND 2019
AND
INDEPENDENT AUDITOR'S REPORT**

WALSH & CO.

ACCOUNTANTS & CONSULTANTS

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

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WALSH & CO.

ACCOUNTANTS & CONSULTANTS

Board of Directors
National Tay-Sachs & Allied Diseases Association, Inc.
2001 Beacon Street, Suite 204
Boston, Massachusetts 02135

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of National Tay-Sachs & Allied Diseases Association, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows and functional expenses 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.

Auditor's 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 in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 the 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.

1.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Tay-Sachs & Allied Diseases Association, Inc. as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

December 31, 2020
Winchester, MA

Wohlschlag & Co.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS:	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash and cash equivalents	\$ 1,366,926	\$ 782,933
Investments	694,868	677,325
Accounts receivable, net	101,125	125,235
Prepaid expenses	4,058	8,748
Deposits	<u>900</u>	<u>900</u>
Total current assets	<u>2,167,877</u>	<u>1,595,141</u>
Property and equipment, net	<u>1,652</u>	<u>2,490</u>
Total Assets	<u>\$ 2,169,529</u>	<u>\$ 1,597,631</u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts payable	\$ 4,652	\$ 5,290
Contributions collected early	2,500	9,973
Accrued expenses	61,366	31,422
Loan payable-PPP Loan	<u>62,500</u>	<u> </u>
Total Current Liabilities	<u>131,018</u>	<u>46,685</u>
Commitment and contingencies		
Net Assets		
Without donor restrictions	838,867	584,506
With donor restrictions	<u>1,199,644</u>	<u>966,440</u>
Total Net Assets	<u>2,038,511</u>	<u>1,550,946</u>
Total Liabilities and Net Assets	<u>\$ 2,169,529</u>	<u>\$ 1,597,631</u>

See accompanying notes.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>		<u>2019</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With donor Restrictions</u>
		<u>Totals</u>		<u>Totals</u>
Support:				
Special events and gifts, net	\$ 197,668	\$ 197,668	\$ 150,306	\$ 150,306
Foundations and corporations	88,100	88,100	74,600	74,600
Mail solicitations and contributions	265,497	700,551	272,243	\$ 323,133
				595,376
Revenue:				
Quality control fees	30,000	30,000	27,000	27,000
Licensing income	43,670	43,670	89,235	89,235
Annual conference	86,450	86,450	142,483	142,483
Unrealized gains (losses)	573	573	938	938
Interest and dividend income	17,354	17,354	21,075	21,075
	729,312	435,054	777,880	323,133
				1,101,013
Net Assets Released from Restrictions:				
Satisfaction of program restrictions	201,850	(201,850)	300,835	(300,835)
Total Support and Revenue	931,162	1,164,366	1,078,715	22,298
				1,101,013
Expenses:				
Program services	492,542	492,542	710,261	710,261
Administrative	79,229	79,229	80,627	80,627
Fundraising	105,030	105,030	117,012	117,012
Total Expenses	676,801	676,801	907,900	907,900
Changes in Net Assets	254,361	487,565	170,815	193,113
Net Assets, Beginning of year	584,506	1,550,946	413,691	1,357,833
Net Assets, End of Year	\$ 838,867	\$ 2,038,511	\$ 584,506	\$ 966,440
				\$ 1,550,946

See accompanying notes.
4.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 487,565	\$ 193,113
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by operating activities:		
Depreciation	838	754
Unrealized gains	(573)	(938)
Decrease (increase) in accounts receivable	24,110	(111,235)
Decrease (increase) in prepaid expenses	4,690	(8,213)
(Decrease) increase in accounts payable	(638)	4,398
(Decrease) increase in contributions collected early	(7,473)	4,173
Increase (decrease) in accrued expenses	<u>29,944</u>	<u>15,762</u>
Net Cash Provided by Operating Activities	<u>538,463</u>	<u>97,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(16,970)	(167,758)
Purchase of fixed assets	<u> </u>	<u>(2,797)</u>
Net Cash Used in Investing Activities	<u>(16,970)</u>	<u>(170,555)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	<u>62,500</u>	<u> </u>
Net Cash Provided by Financing Activities	<u>62,500</u>	<u> </u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	583,993	(72,741)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>782,933</u>	<u>855,674</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,366,926</u>	<u>\$ 782,933</u>

See accompanying notes.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Family Services	Education	Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 94,890	\$ 19,536	\$ 55,817	\$ 170,243	\$ 33,490	\$ 75,353	\$ 108,843	\$ 279,086
Payroll taxes	7,349	1,513	4,323	13,185	2,594	5,836	8,430	21,615
Employee benefits	4,960	1,021	2,918	8,899	1,750	3,938	5,688	14,587
Total salaries and related expenses	<u>107,199</u>	<u>22,070</u>	<u>63,058</u>	<u>192,327</u>	<u>37,834</u>	<u>85,127</u>	<u>122,961</u>	<u>315,288</u>
Bank fees	4,165	788	4,277	9,230	563	1,463	2,026	11,256
Computer services					3,034	2,108	5,142	5,142
Conference	23,384			23,384				23,384
Depreciation	310	59	318	687	42	109	151	838
Dues and subscriptions	1,082	205	1,112	2,399	146	380	526	2,925
Equipment rental	986	186	1,012	2,184	133	346	479	2,663
Fundraising						9,275	9,275	9,275
Grants	14,303	44,705	126,969	185,977				185,977
Insurance	1,149	217	1,180	2,546	155	404	559	3,105
License and fees					661		661	661
Miscellaneous					844		844	844
Office expense					2,341		2,341	2,341
Postage and shipping	409	43	151	603	1,505	43	1,548	2,151
Printing and reproduction					548		548	548
Professional fees	15,008	2,839	15,413	33,260	2,028	5,273	7,301	40,561
Publications	4,314	4,712	420	9,446		224	224	9,670
Rent					27,200		27,200	27,200
Scholarship awards	6,000			6,000				6,000
Telephone	649	123	666	1,438	88	228	316	1,754
Travel and meetings	890		22,171	23,061	1,471	50	1,521	24,582
Utilities	<u>72,649</u>	<u>53,877</u>	<u>173,689</u>	<u>300,215</u>	<u>636</u>	<u>19,903</u>	<u>636</u>	<u>361,513</u>
Total Expenses	<u>\$ 179,848</u>	<u>\$ 75,947</u>	<u>\$ 236,747</u>	<u>\$ 492,542</u>	<u>\$ 79,229</u>	<u>\$ 105,030</u>	<u>\$ 184,259</u>	<u>\$ 676,801</u>

See accompanying notes.
6.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Family Services	Education	Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 101,424	\$ 20,882	\$ 59,661	\$ 181,967	\$ 35,797	\$ 80,543	\$ 116,340	\$ 298,307
Payroll taxes	8,056	1,659	4,739	14,454	2,843	6,397	9,240	23,694
Employee benefits	3,814	785	2,243	6,842	1,346	3,028	4,374	11,216
Total salaries and related expenses	<u>113,294</u>	<u>23,326</u>	<u>66,643</u>	<u>203,263</u>	<u>39,986</u>	<u>89,968</u>	<u>129,954</u>	<u>333,217</u>
Bank fees	3,956	748	4,063	8,767	535	1,390	1,925	10,692
Computer services					3,207	2,237	5,444	5,444
Conference	156,089			156,089				156,089
Depreciation	279	53	286	618	38	98	136	754
Dues and subscriptions	527	100	542	1,169	71	185	256	1,425
Equipment rental	1,209	229	1,241	2,679	163	425	588	3,267
Fundraising						15,618	15,618	15,618
Grants	16,314	27,369	223,822	267,505				267,505
Insurance	1,123	212	1,153	2,488	152	395	547	3,035
License and fees					687		687	687
Miscellaneous	155	29	159	343	21	55	76	419
Office expense					2,225		2,225	2,225
Postage and shipping	551	62	200	813	2,019	63	2,082	2,895
Printing and reproduction					49		49	49
Professional fees	9,808	1,855	10,073	21,736	1,325	3,446	4,771	26,507
Publications	6,750	6,101	70	12,921		79	79	13,000
Rent					27,111		27,111	27,111
Scholarship awards								
Telephone	1,229	233	1,262	2,724	166	432	598	3,322
Travel and meetings	1,956	106	27,084	29,146	2,236	2,621	4,857	34,003
Utilities					636		636	636
	<u>199,946</u>	<u>37,097</u>	<u>269,955</u>	<u>506,998</u>	<u>40,641</u>	<u>27,044</u>	<u>67,685</u>	<u>574,683</u>
Total Expenses	<u>\$ 313,240</u>	<u>\$ 60,423</u>	<u>\$ 336,598</u>	<u>\$ 710,261</u>	<u>\$ 80,627</u>	<u>\$ 117,012</u>	<u>\$ 197,639</u>	<u>\$ 907,900</u>

See accompanying notes.
7.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - ORGANIZATION

National Tay-Sachs & Allied Diseases Association, Inc. (the "Association") is a not-for-profit, voluntary health and welfare organization. It raises funds to support and implement charitable and educational programs that aid in the detection, treatment and prevention of Tay-Sachs & other related genetic diseases occurring in infants, children and adults. The Association also raises funds to support its family services, research and advocacy programs relating to these rare neurodegenerative genetic disorders. The national offices of the Association are located in Brighton, Massachusetts. In addition, there is an active chapter in Pennsylvania, as well as affiliates in Canada and Pennsylvania and a member organization in Florida.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a.) Financial Statement Presentation

The Association prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. generally accepted accounting principles (U.S. GAAP) in these notes are to the FASB Accounting Standards Codification (ASC).

(b.) Recently Adopted Accounting Policies

In 2019, the Association adopted FASB's Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. The Association has adjusted the presentation of the financial statements accordingly. The adoption of this ASU did not impact the Association's net asset classes, results of operations, or cash flows for the year ended June 30, 2019.

(c.) Net Assets

Net Assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Association.

Net assets with donor restrictions are amounts received or committed by donors with purpose purpose or time restrictions that have not yet been met and permanently restricted funds. Net assets with donor restrictions consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Time/purpose restriction	<u>\$ 1,199,644</u>	<u>\$ 966,440</u>

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

(d.) Revenue Recognition

Revenue from programs and events, sale of publications, and other sources is recognized in the period in which the services are provided.

Contributions without donor restrictions are recognized as revenue when unconditionally committed or received. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred or as time restrictions lapse.

(e.) Contributions:

The Association's contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Many individuals volunteer their time and perform a variety of tasks that assist the Association in accomplishing its goals. During the years ended June 30, 2020 and 2019, there were no contributed services meeting the requirements for recognition in the financial statements.

(f.) Property and Equipment:

The Association capitalizes expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method. Maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Property and equipment purchased by the Association are stated at cost. Donations of property and equipment are stated at their estimated fair value at the date of donation and recorded as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

(g.) Income Taxes:

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There are no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2020 and 2019.

The Association's tax returns, form 990, for the years ending 2017, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they are filed.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

(h.) Functional Allocation of Expenses:

Directly identifiable expenses are charged to programs and supporting services accordingly. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

(i.) Cash Equivalents

For purposes of the statement of cash flows, the Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

(j.) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Association does not charge interest on past due accounts receivable.

(k.) Advertising Costs

The Association follows the policy of charging the costs of advertising to expense as incurred.

(l.) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(m.) Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to the current year presentation.

(n.) Marketable Securities

The Association follows the principles of the Accounting Standards Codification for Not-for-Profit Organizations. Donated securities are recorded at their fair market values on the date of donation. Donated securities that are unrestricted as to use are recorded as a contribution in unrestricted net assets. Marketable securities are carried at fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

NOTE 3 – INVESTMENTS

The Organization records investments at market value. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date. Gains or losses on sales of investments and unrealized gains and losses, which result from changes in market value of investments held, are reflected in the statements of activities.

The following is a summary of the investment portfolio as of June 30, 2020 and 2019 at cost and market value:

	<u>Cost</u>	<u>2020 Market Value</u>	<u>Excess of Market Value Over Cost</u>
U.S. Treasury bills	<u>\$ 693,088</u>	<u>\$ 694,868</u>	<u>\$ 1,780</u>

	<u>Cost</u>	<u>2019 Market Value</u>	<u>Excess of Market Value Over Cost</u>
U.S. Treasury bills	<u>\$ 676,118</u>	<u>\$ 677,325</u>	<u>\$ 1,207</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Computer equipment	\$ 38,778	\$ 38,778
Furniture and fixtures	10,185	10,185
Website	<u>33,767</u>	<u>33,767</u>
	82,730	82,730
Less: Accumulated depreciation	<u>(81,078)</u>	<u>(80,240)</u>
	<u>\$ 1,652</u>	<u>\$ 2,490</u>

NOTE 5 – SPECIAL EVENTS

Net revenues for special events consist of the following:

	<u>2020</u>	<u>2019</u>
Gross revenues, including gifts	\$ 293,297	\$ 234,263
Less: Related expenses	<u>95,629</u>	<u>83,957</u>
	<u>\$ 197,668</u>	<u>\$ 150,306</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions as of June 30 consist of following:

	<u>2020</u>	<u>2019</u>
Research Initiative	\$ 263,240	\$ 236,346
Aaron's Fund	10,000	
Jones Fund	8,575	8,575
Emma's Fund	21,983	22,383
Madsen Fund	33,257	33,257
Benton Fund	12,197	12,600
Maanas Memorial Fund	14,275	12,327
Katie & Allie Buryk Fund	328,301	292,096
Margolis Fund	20,090	18,628
Baker Fund	1,288	1,288
Gottlieb Fund	14,664	15,598
Jacob's Cure - Canavan	31,253	21,120
Connor's Way Fund	115	115
Hoffman Fund	7,819	8,795
Marion Yanovsky NY Fund	133,325	117,611
Evan Lee Ungerleider Fund	11,896	11,842
Heringer Family Fund	41,024	30,427
Vera Pestochinsky Fund	91,103	80,615
NTSAD Canada	7,161	7,161
Lord Foundation		6,275
Sussman Family Fund	50,000	25,000
Vayle Rose Fund	41,697	
Pashelinsky Foundation	52,000	
Other	<u>4,381</u>	<u>4,381</u>
	<u>\$ 1,199,644</u>	<u>\$ 966,440</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Association maintains its cash in bank deposit accounts which, at times, may exceed generally insured limits. Businesses are allowed unlimited coverage for one checking account at a financial institution while other accounts are covered to the FDIC limit of \$250,000. None of the investments are insured by a Federal government agency with one holding representing 26% of assets as of June 30, 2020. At June 30, 2020 and 2019, the Association's cash balance exceeding FDIC insurance limits amounted to approximately \$556,000 and \$181,000, respectively.

NOTE 8 - RETIREMENT PLAN

On January 1, 2000, the Association established a SIMPLE IRA pension plan, covering all full time employees who earned \$5,000 or more, per year, during any prior year of employment. The Association may contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. Alternatively, the Association may contribute 2% of each eligible employee's compensation regardless of whether the employee elects to make a pretax contribution.

Pension plan expense for the years ending June 30, 2020 and 2019 totaled \$3,508 and \$4,926, respectively.

NOTE 9 - LOAN PAYABLE – PPP LOAN

The Association has a two year note with a bank in the amount of \$62,500 with an interest rate of 1.0%. Management believes this loan will be forgiven with the Paycheck Protection Program (PPP) established by the U.S. Small Business Administration (SBA). The proceeds are to be used solely for the purposes specified in and established by the Paycheck Protection Program and in no event be used for any other purpose.

The Association will request forgiveness of the loan under the PPP and will need to submit satisfactory documentation to the SBA including an attestation as to the use of loan proceeds. If the SBA declines to forgive or guarantee any portion of the indebtedness for any reason, the Association will remain liable for the loan and accrued interest.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Association has awarded grants for research and other services to independent parties in the scientific community before the end of the year. Generally, the grants are paid over one to two years in installments. These grants are not paid if interim progress reports are not submitted as required and no progress or unsatisfactory progress is made after the initial term. The amount of awards granted and not funded representing contingent liabilities at June 30, 2020 and 2019 approximate \$161,500 and \$291,000, respectively. The contingent liability amounts have not been included in the statements of activities. If the work by recipients of the awards is completed satisfactorily in the future, then the amounts paid will reduce net assets.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's financial assets available within one year from the statement of financial position as of June 30, 2020 and 2019 for general operating expenses are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,366,926	\$ 782,933
Accounts receivable	101,125	125,235
Investments	<u>694,868</u>	<u>677,325</u>
Total financial assets	2,162,919	1,585,493
Less-net assets with specific donor restrictions	<u>(1,199,644)</u>	<u>(966,440)</u>
Financial assets available to meet cash needs		
For general expenditures within one year	<u>\$ 963,275</u>	<u>\$ 619,053</u>

The Association manages liquidity by structuring financial assets to be available as general expenditures, liabilities, and other obligations come due. The Association invests cash in excess of short-term requirements in investments. As of June 30, 2020, the Association has financial assets exceeding one year of operating expenses.

NOTE 12 - LEASE OBLIGATION

As of June 30, 2020, the Association has a lease for the rental of office space for its administrative facilities. The future obligations under the lease are as follows:

<u>Year Ending</u>	<u>Annual Amount</u>
<u>June 30</u>	
2021	\$ 27,550
2022	<u>4,600</u>
	<u>\$ 59,350</u>

Rent expense for the years ended June 30, 2020 and 2019 was \$27,200 and \$27,111, respectively.

NOTE 13 - FAIR VALUE MEASUREMENTS

The Association reports under the Fair Value Measurements pronouncements of the FASB Accounting Standards Codification, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

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 – Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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's or liability's fair 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodology used at June 30, 2020 and 2019.

Cash or cash equivalent including money market funds: Valued at acquisition cost.
Marketable securities: valued at market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, with the fair value hierarchy, the Association's assets at fair value.

National Tay-Sachs & Allied
Diseases Association, Inc.
Notes to Financial Statements

Assets at fair value as of June 30, 2020
(In thousands)

	<u>Level 1</u>
Cash and cash equivalents	\$ 1,367
Investments	<u>695</u>
	<u>\$ 2,062</u>

Assets at fair value as of June 30, 2019
(In thousands)

	<u>Level 1</u>
Cash and cash equivalents	\$ 783
Investments	<u>677</u>
	<u>\$ 1,460</u>

Valuation and Income Recognition

The Association's cash and cash equivalents and marketable securities as of June 30, 2020 and 2019 are stated at fair value.

NOTE 14 - SUBSEQUENT EVENTS

Association management has evaluated all subsequent events through December 31, 2020, the date the financial statements were available to be issued. There are no subsequent events that require adjustment to or disclosure in the financial statements.

In March 2020, the COVID-19 outbreak in the United States has resulted in the closures of many businesses and a marked reduction in economic activity. While this disruption is currently expected to be on-going, there is considerable uncertainty around the duration. The Association expects this matter to impact its operating results, but the related financial impact and duration cannot be reasonably estimated at this time.