

**NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
YEARS ENDED  
JUNE 30, 2021 AND 2020  
AND  
INDEPENDENT AUDITOR'S REPORT**

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

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# WALSH & CO.

## ACCOUNTANTS & CONSULTANTS

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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, 2021 and 2020, 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, 2021 and 2020, 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.

October 22, 2021  
Winchester, MA

*Walsh & Co.*

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020

ASSETS:	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and cash equivalents	\$ 2,479,435	\$ 1,366,926
Investments		694,868
Accounts receivable, net	199,841	101,125
Prepaid expenses	5,558	4,058
Deposits	<u>900</u>	<u>900</u>
Total current assets	<u>2,685,734</u>	<u>2,167,877</u>
Property and equipment, net	<u>1,058</u>	<u>1,652</u>
Total Assets	<u>\$ 2,686,792</u>	<u>\$ 2,169,529</u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts payable	\$ 11,777	\$ 4,652
Contributions collected early	15,000	2,500
Accrued expenses	49,751	61,366
Loan payable-PPP Loan	<u></u>	<u>62,500</u>
Total Current Liabilities	<u>76,528</u>	<u>131,018</u>
Commitment and contingencies		
Net Assets		
Without donor restrictions	1,256,523	838,867
With donor restrictions	<u>1,353,741</u>	<u>1,199,644</u>
Total Net Assets	<u>2,610,264</u>	<u>2,038,511</u>
Total Liabilities and Net Assets	<u>\$ 2,686,792</u>	<u>\$ 2,169,529</u>

See accompanying notes.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2021 AND 2020

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With donor Restrictions
	<u>Totals</u>		<u>Totals</u>	
Support:				
Special events and gifts, net	\$ 353,298		\$ 197,668	\$ 197,668
Foundations and corporations	127,824		88,100	88,100
Mail solicitations and contributions	275,728	\$ 346,040	265,497	\$ 435,054
PPP loan forgiveness	62,500			700,551
Revenue:				
Quality control fees	30,250		30,000	30,000
Licensing income	47,640		43,670	43,670
Annual conference	75,504		86,450	86,450
Unrealized gains (losses)			573	573
Interest and dividend income	<u>1,264</u>		<u>17,354</u>	<u>17,354</u>
	<u>974,008</u>	<u>346,040</u>	<u>729,312</u>	<u>435,054</u>
				<u>1,164,366</u>
Net Assets Released from Restrictions:				
Satisfaction of program restrictions	<u>191,943</u>	<u>(191,943)</u>	<u>201,850</u>	<u>(201,850)</u>
Total Support and Revenue	<u>1,165,951</u>	<u>154,097</u>	<u>931,162</u>	<u>233,204</u>
				<u>1,164,366</u>
Expenses:				
Program services	518,841		492,542	492,542
Administrative	92,366		79,229	79,229
Fundraising	137,088		105,030	105,030
Total Expenses	<u>748,295</u>		<u>676,801</u>	<u>676,801</u>
Changes in Net Assets	417,656	154,097	254,361	233,204
Net Assets, Beginning of year	<u>838,867</u>	<u>1,199,644</u>	<u>584,506</u>	<u>966,440</u>
				<u>1,550,946</u>
Net Assets, End of Year	<u>\$ 1,256,523</u>	<u>\$ 1,353,741</u>	<u>\$ 838,867</u>	<u>\$ 1,199,644</u>
				<u>\$ 2,038,511</u>

See accompanying notes.  
4.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 571,753	\$ 487,565
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by operating activities:		
Depreciation	743	838
Unrealized gains		(573)
(Increase) decrease in accounts receivable	(98,716)	24,110
(Increase) decrease in prepaid expenses	(1,500)	4,690
Increase (decrease) in accounts payable	7,125	(638)
Increase (decrease) in contributions collected early	12,500	(7,473)
Increase (decrease) in accrued expenses	<u>(11,615)</u>	<u>29,944</u>
Net Cash Provided by Operating Activities	<u>480,290</u>	<u>538,463</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	694,868	(16,970)
Purchase of fixed assets	<u>(149)</u>	<u></u>
Net Cash Used in Investing Activities	<u>694,719</u>	<u>(16,970)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan		62,500
Forgiveness of PPP loan	<u>(62,500)</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>(62,500)</u>	<u>62,500</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,112,509	583,993
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,366,926</u>	<u>782,933</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,479,435</u>	<u>\$ 1,366,926</u>

See accompanying notes.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021

	Family Services	Education	Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 122,606	\$ 25,242	\$ 72,121	\$ 219,969	\$ 43,273	\$ 97,363	\$ 140,636	\$ 360,605
Payroll taxes	10,453	2,152	6,149	18,754	3,689	8,301	11,990	30,744
Employee benefits	7,658	1,577	4,505	13,740	2,703	6,081	8,784	22,524
Total salaries and related expenses	<u>140,717</u>	<u>28,971</u>	<u>82,775</u>	<u>252,463</u>	<u>49,665</u>	<u>111,745</u>	<u>161,410</u>	<u>413,873</u>
Bank fees	3,218	609	3,305	7,132	435	1,131	1,566	8,698
Computer services					4,263	2,962	7,225	7,225
Conference	34,066			34,066				34,066
Depreciation	275	52	282	609	37	97	134	743
Dues and subscriptions	1,008	191	1,036	2,235	136	354	490	2,725
Equipment rental	988	187	1,015	2,190	134	347	481	2,671
Fundraising						15,393	15,393	15,393
Grants	15,292	27,941	137,310	180,543			515	180,543
Insurance	1,058	200	1,086	2,344	143	372	680	2,859
License and fees					680		157	680
Miscellaneous					157			157
Office expense					2,897		2,897	2,897
Postage and shipping	307	32	113	452	1,133	32	1,165	1,617
Printing and reproduction					1,999		1,999	1,999
Professional fees	10,667	2,018	10,956	23,641	1,442	3,748	5,190	28,831
Publications	223	3,121		3,334	750		750	4,094
Rent					27,300		27,300	27,300
Scholarship awards	7,500			7,500				7,500
Telephone	940	178	965	2,083	127	330	457	2,540
Travel and meetings			239	239	744	577	1,321	1,560
Utilities	<u>75,542</u>	<u>34,529</u>	<u>156,307</u>	<u>266,378</u>	<u>324</u>	<u>25,343</u>	<u>324</u>	<u>334,422</u>
Total Expenses	<u>\$ 216,259</u>	<u>\$ 63,500</u>	<u>\$ 239,082</u>	<u>\$ 518,841</u>	<u>\$ 92,366</u>	<u>\$ 137,088</u>	<u>\$ 229,454</u>	<u>\$ 748,295</u>

See accompanying notes.  
6.



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	409				2,341		2,341	2,341
Postage and shipping		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.

NATIONAL TAY-SACHS & ALLIED DISEASES ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

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

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, 2021 and 2020.

(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>2021</u>	<u>2020</u>
Time/purpose restriction	<u>\$ 1,353,741</u>	<u>\$ 1,199,644</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, 2021 and 2020, 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, 2021 and 2020.

The Association's tax returns, form 990, for the years ending 2018, 2019, 2020 and 2021 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 2020 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 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>

NOTE 4 – PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>
Computer equipment	\$ 38,778	\$ 38,778
Furniture and fixtures	10,185	10,185
Website	<u>33,916</u>	<u>33,767</u>
	82,879	82,730
Less: Accumulated depreciation	<u>(81,821)</u>	<u>(81,078)</u>
	<u>\$ 1,058</u>	<u>\$ 1,652</u>

NOTE 5 – SPECIAL EVENTS

Net revenues for special events consist of the following:

	<u>2021</u>	<u>2020</u>
Gross revenues, including gifts	\$ 377,714	\$ 293,297
Less: Related expenses	<u>24,416</u>	<u>95,629</u>
	<u>\$ 353,298</u>	<u>\$ 197,668</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Research Initiative	\$ 252,907	\$ 263,240
Aaron's Fund	11,441	10,000
Jones Fund	8,575	8,575
Emma's Fund	22,202	21,983
Madsen Fund	33,257	33,257
Benton Fund	10,147	12,197
Maanas Memorial Fund	14,275	14,275
Katie & Allie Buryk Fund	409,207	328,301
Margolis Fund	19,898	20,090
Baker Fund	1,288	1,288
Gottlieb Fund	12,252	14,664
Jacob's Cure - Canavan	38,134	31,253
Connor's Way Fund	115	115
Hoffman Fund	17,303	7,819
Marion Yanovsky NY Fund	143,346	133,325
Evan Lee Ungerleider Fund	12,969	11,896
Heringer Family Fund	61,051	41,024
Vera Pestochinsky Fund	101,896	91,103
NTSAD Canada	7,161	7,161
Lord Foundation	2,600	
Sussman Family Fund	73,750	50,000
Vayle Rose Fund	43,586	41,697
Pashelinsky Foundation	52,000	52,000
Other	4,381	4,381
	<u>\$ 1,353,741</u>	<u>\$ 1,199,644</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. One investment in a brokerage money market account amounting to approximately \$1,253,000 is not insured by a Federal government agency as of June 30, 2021. At June 30, 2021 and 2020, the Association's cash balance exceeding FDIC insurance limits in banks amounted to approximately \$976,000 and \$556,000, 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, 2021 and 2020 totaled \$3,982 and \$3,508, respectively.

NOTE 9 - LOAN PAYABLE – PPP LOAN

As of June 30, 2020, the Association had a PPP loan in the amount of \$62,500 which was forgiven in April 2021.

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, 2021 and 2020 approximate \$32,000 and \$161,500, 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, 2021 and 2020 for general operating expenses are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,479,435	\$ 1,366,926
Accounts receivable	199,841	101,125
Investments	<u>                    </u>	<u>694,868</u>
Total financial assets	2,679,276	2,162,919
Less-net assets with specific donor restrictions	<u>(1,353,741)</u>	<u>(1,199,644)</u>
Financial assets available to meet cash needs		
For general expenditures within one year	<u>\$ 1,325,535</u>	<u>\$ 963,275</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, 2021, the Association has financial assets exceeding one year of operating expenses.

#### NOTE 12 - LEASE OBLIGATION

As of June 30, 2021, the Association had a lease for the rental of office space for its administrative facilities which expired on August 31, 2021. The Association is currently tenant-at-will while negotiating a new lease with the landlord. The future obligations under the lease were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Annual Amount</u>
2022	<u>\$ 4,550</u>

Rent expense for the years ended June 30, 2021 and 2020 was \$27,300 and \$27,200, 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.



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, 2021 and 2020.

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, 2021  
(In thousands)

	<u>Level 1</u>
Cash and cash equivalents	\$ 2,479
	<u>\$ 2,479</u>

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>

Valuation and Income Recognition

The Association's cash and cash equivalents and marketable securities as of June 30, 2021 and 2020 are stated at fair value.

NOTE 14 - SUBSEQUENT EVENTS

Association management has evaluated all subsequent events through October 22, 2021, 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.

NOTE 15 - COVID – 19

On March 11, 2020, the World Health Organization declared the coronavirus outbreak a pandemic. Actions taken domestically and across the world to help mitigate the spread of the coronavirus included and continue to include restrictions on travel, required quarantine, and mandated closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and may continue to have, some adverse impact on the economies and financial markets.

It is unknown how long the conditions associated with the coronavirus pandemic will last and what the complete financial effect will be to the Association. In addition, to the negative impact of the coronavirus to certain segments of the general economy, the Association's assets may also be vulnerable to these adverse conditions. Depending on the severity and duration of the pandemic, asset quality could deteriorate.