

The Boomer Esiason Foundation

Financial Statements
and
Independent Auditor's Report

Years Ended March 31, 2022 and 2021

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Independent Auditor's Report

**To the Board of Directors
The Boomer Esiason Foundation
New York, NY**

We have audited the accompanying financial statements of The Boomer Esiason Foundation (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of March 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Boomer Esiason Foundation as of March 31, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Boomer Esiason Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



To the Board of Directors
The Boomer Esiason Foundation

August 26, 2022

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Boomer Esiason Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Boomer Esiason Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Snyder Cohn, PC".

SNYDER COHN, PC
North Bethesda, Maryland
August 26, 2022

The Boomer Esiason Foundation
Statements of Financial Position

March 31	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,508,565	\$ 2,236,400
Contributions receivable, net	160,965	84,098
Prepaid expenses	716,310	168,127
Investments - held to maturity	23,515	2,933,275
Other current assets	161,746	90,803
Total current assets	<u>6,571,101</u>	<u>5,512,703</u>
Property and equipment, net	<u>79,533</u>	<u>39,487</u>
Other assets:		
Cash - restricted	217,485	197,150
Deposits	15,717	15,717
Total other assets	<u>233,202</u>	<u>212,867</u>
Total assets	<u>\$ 6,883,836</u>	<u>\$ 5,765,057</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 353,759	\$ 185,538
Deferred revenue	1,054,300	216,000
Paycheck Protection Program loan	-	547,140
Total current liabilities	<u>1,408,059</u>	<u>948,678</u>
Commitments		
Net assets:		
Without donor restrictions	4,897,434	4,312,844
With donor restrictions	578,343	503,535
Total net assets	<u>5,475,777</u>	<u>4,816,379</u>
Total liabilities and net assets	<u>\$ 6,883,836</u>	<u>\$ 5,765,057</u>

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Activities

For the year ended March 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support	\$ 2,527,831	\$ 998,593	\$ 3,526,424
Special events	832,664	-	832,664
Interest and dividends	69,003	170	69,173
Other	10,742	-	10,742
Forgiveness of debt	547,140	-	547,140
Gain on disposal of assets	15,000	-	15,000
Loss on investments	(183,718)	-	(183,718)
Total public support and revenues	3,818,662	998,763	4,817,425
Net assets released from restrictions:			
Satisfaction of time and purpose restrictions	923,955	(923,955)	-
Expenses:			
Programs:			
Special events	676,916	-	676,916
Educational	1,744,594	-	1,744,594
Scholarship program	758,030	-	758,030
Web services	126,837	-	126,837
Total programs	3,306,377	-	3,306,377
Support services:			
Management and general	515,180	-	515,180
Fundraising	336,470	-	336,470
Total support services	851,650	-	851,650
Total expenses	4,158,027	-	4,158,027
Change in net assets	584,590	74,808	659,398
Net assets - beginning	4,312,844	503,535	4,816,379
Net assets - ending	\$ 4,897,434	\$ 578,343	\$ 5,475,777

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Activities

For the year ended March 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support	\$ 2,300,045	\$ 897,742	\$ 3,197,787
Special events	1,934,237	-	1,934,237
Interest and dividends	115,159	682	115,841
Other	1,898	-	1,898
Forgiveness of debt	-	-	-
Gain on disposal of assets	-	-	-
Gain on investments	64,643	-	64,643
Total public support and revenues	4,415,982	898,424	5,314,406
Net assets released from restrictions:			
Satisfaction of purpose restrictions	715,453	(715,453)	-
Expenses:			
Programs:			
Special events	764,373	-	764,373
Educational	1,548,331	-	1,548,331
Scholarship program	677,432	-	677,432
Web services	254,593	-	254,593
Total programs	3,244,729	-	3,244,729
Support services:			
Management and general	300,446	-	300,446
Fundraising	352,806	-	352,806
Total support services	653,252	-	653,252
Total expenses	3,897,981	-	3,897,981
Change in net assets	1,233,454	182,971	1,416,425
Net assets - beginning	3,079,390	320,564	3,399,954
Net assets - ending	\$ 4,312,844	\$ 503,535	\$ 4,816,379

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Functional Expenses

For the year ended March 31, 2022

	Programs					Support Services			Total Expenses
	Special Events	Educational	Scholarship Program	Web Services	Total Programs	Management and General	Fundraising	Total Support Services	
Advertising	\$ -	\$ 106,913	\$ 121,250	\$ -	\$ 228,163	\$ -	\$ -	\$ -	\$ 228,163
Bad debts	-	-	-	-	-	55,000	-	55,000	55,000
Bank charges	-	552	83	-	635	3,867	-	3,867	4,502
Grants and allocations	1,000	657,246	321,635	-	979,881	295	-	295	980,176
Insurance	28,000	10,903	2,925	-	41,828	19,072	727	19,799	61,627
Licenses and fees	850	1,036	3,402	-	5,288	6,941	-	6,941	12,229
Office expense	7,198	31,688	3,679	12,702	55,267	70,806	2,149	72,955	128,222
Photographer	210	42	835	-	1,087	76	105	181	1,268
Postage and delivery	2,361	266	8,353	-	10,980	1,493	2,704	4,197	15,177
Printing and reproduction	1,756	14,339	870	-	16,965	377	858	1,235	18,200
Prizes	11,421	-	-	-	11,421	510	1,531	2,041	13,462
Project expenses	124,392	216,206	39,516	4,969	385,083	205,237	266,350	471,587	856,670
Recognition gifts	55,491	-	540	3,736	59,767	3,627	8,016	11,643	71,410
Rent	26,816	134,082	-	-	160,898	8,942	8,939	17,881	178,779
Salaries and benefits	386,972	547,498	251,776	105,430	1,291,676	122,714	38,361	161,075	1,452,751
Travel	30,449	23,823	3,166	-	57,438	4,116	6,730	10,846	68,284
Total functional expenses before depreciation	676,916	1,744,594	758,030	126,837	3,306,377	503,073	336,470	839,543	4,145,920
Depreciation and amortization	-	-	-	-	-	12,107	-	12,107	12,107
Total functional expenses	\$ 676,916	\$ 1,744,594	\$ 758,030	\$ 126,837	\$ 3,306,377	\$ 515,180	\$ 336,470	\$ 851,650	\$ 4,158,027

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Functional Expenses

For the year ended March 31, 2021

	Programs					Support Services			Total Expenses
	Special Events	Educational	Scholarship Program	Web Services	Total Programs	Management and General	Fundraising	Total Support Services	
Advertising	\$ -	\$ 106,282	\$ 123,125	\$ -	\$ 229,407	\$ -	\$ -	\$ -	\$ 229,407
Bad debts	-	-	-	-	-	400	-	400	400
Bank charges	29	-	3	-	32	4,095	-	4,095	4,127
Grants and allocations	22,269	642,585	150,771	-	815,625	882	2,557	3,439	819,064
Insurance	28,007	13,250	158	109	41,524	20,183	884	21,067	62,591
Licenses and fees	-	571	6,274	-	6,845	2,297	-	2,297	9,142
Office expense	10,797	24,955	1,218	9,201	46,171	25,560	2,628	28,188	74,359
Photographer	-	70	-	-	70	-	-	-	70
Postage and delivery	3,895	3,557	3,394	-	10,846	1,889	1,942	3,831	14,677
Printing and reproduction	4,357	550	1,500	-	6,407	185	555	740	7,147
Prizes	23,983	-	-	-	23,983	891	2,672	3,563	27,546
Project expenses	238,871	244,387	38,883	2,838	524,979	133,906	298,519	432,425	957,404
Recognition gifts	58,737	-	225	-	58,962	3,431	7,077	10,508	69,470
Rent	24,795	123,974	-	-	148,769	11,058	8,265	19,323	168,092
Salaries and benefits	344,683	386,546	351,220	242,445	1,324,894	89,087	27,230	116,317	1,441,211
Travel	3,950	1,604	661	-	6,215	1,429	477	1,906	8,121
Total functional expenses before depreciation	764,373	1,548,331	677,432	254,593	3,244,729	295,293	352,806	648,099	3,892,828
Depreciation and amortization	-	-	-	-	-	5,153	-	5,153	5,153
Total functional expenses	\$ 764,373	\$ 1,548,331	\$ 677,432	\$ 254,593	\$ 3,244,729	\$ 300,446	\$ 352,806	\$ 653,252	\$ 3,897,981

See Accompanying Notes

The Boomer Esiason Foundation

Statements of Cash Flows

For the years ended March 31	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 659,398	\$ 1,416,425
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	12,107	5,153
Paycheck Protection Program loan forgiveness	(547,140)	-
Gain on disposal of assets	(15,000)	-
Realized loss on investments	182,983	36,814
Unrealized (gain) loss on investments	735	(101,457)
(Increase) decrease in:		
Contributions receivable, net	(76,867)	98,934
Prepaid expenses	(548,183)	303,224
Other current assets	(70,943)	3,156
Increase (decrease) in:		
Accounts payable and accrued expenses	168,221	(154,601)
Deferred revenue	838,300	(1,017,000)
Net cash provided by operating activities	603,611	590,648
Cash flows from investing activities:		
Payments made for purchase of investments	(408,935)	(2,899,652)
Proceeds from sale of investments	3,134,977	2,543,137
Payments made for property and equipment	(52,153)	-
Proceeds from sale of property and equipment	15,000	-
Net cash provided by (used in) investing activities	2,688,889	(356,515)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	-	547,140
Net increase in cash, cash equivalents, and restricted cash	3,292,500	781,273
Cash, cash equivalents, and restricted cash - beginning	2,433,550	1,652,277
Cash, cash equivalents, and restricted cash - ending	\$ 5,726,050	\$ 2,433,550
Reconciliation of cash, cash equivalents, and restricted cash reported on the statement of financial position:		
Cash and cash equivalents	\$ 5,508,565	\$ 2,236,400
Restricted cash	217,485	197,150
Total cash, cash equivalents, and restricted cash - ending	\$ 5,726,050	\$ 2,433,550
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ -	\$ -

See Accompanying Notes

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 1: Summary of significant accounting policies:

The Boomer Esiason Foundation (the Foundation) is a charitable organization created on February 1, 1993 under the laws of the State of New York. Since its inception, the primary purpose of the Foundation has been to financially assist and provide charitable funding for scientific and medical research regarding cystic fibrosis. The Foundation also provides enhanced support for patient services in addition to providing increased awareness and education about cystic fibrosis. The Foundation sponsors an annual dinner and golf tournament along with other charitable special events to raise funds for its primary purpose.

Basis of presentation - The Foundation prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Certain funds, while without donor restrictions, have been designated by the Foundation for a particular purpose or program.

Net assets with donor restrictions - Amounts that are specifically restricted by donors or grantors for various purposes or future time periods. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents - For purposes of preparing the statements of financial position and cash flows, the Foundation considers all investments purchased with a maturity of three months or less to be cash equivalents.

Restricted cash - During 2008, the Foundation began receiving donations to establish a permanent endowment fund to provide scholarships. Terms of the endowment require the funds to be segregated from other Foundation funds. The donor-designated endowment is reported as net assets with donor restrictions. The Foundation held \$2,057 and \$13,707 of funds that were not transferred to the restricted account as of March 31, 2022 and 2021, respectively. Subsequent to each year end, the Foundation transferred these funds to the restricted account.

Investments - Investments, which consist of equity securities, donated equity securities, bond funds and held to maturity investments, are reported at fair value, which is established at readily determinable current market values. Donated investments are sold as soon after donation as possible.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 1: Summary of significant accounting policies: (continued)

Contributions receivable - Contributions are recorded as revenue in the period committed. All receivables are due within one year; therefore, no discount is required. Contributions receivables are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of the past due amounts and an assessment of the donor's ability to pay. At March 31, 2022 and 2021, management believes that no allowance for doubtful accounts is necessary.

Property and equipment - The Foundation capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at original cost or, if donated, at fair market value at the date of donation. Depreciation is computed using straight-line methods over the estimated useful lives of the related assets. Depreciation expense for the years ended March 31, 2022 and 2021 was \$12,107 and \$5,153, respectively. Property and equipment consisted of the following at March 31:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 16,212	\$ 47,133
Vehicles	79,222	67,850
Leasehold improvement	60,934	60,934
Accumulated depreciation	<u>(76,835)</u>	<u>(136,430)</u>
Total property and equipment	<u>\$ 79,533</u>	<u>\$ 39,487</u>

Deferred revenue - Payments received prior to March 31, 2022 and 2021, which relate to charitable special events to be held in the subsequent fiscal year, have been deferred.

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 vary from the estimates that were used. Significant estimates were used when calculating the net realizable value of the contributions receivable. It is at least reasonably possible that the Foundation's estimate will change materially in the near term.

Federal income taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 1: Summary of significant accounting policies: (continued)

Accounting for uncertainty in income taxes - The Foundation accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Foundation has identified its tax status as a tax-exempt entity under Section 501(c)(3) and its determination that it has no unrelated business income as tax positions; however, the Foundation has determined that such tax positions do not result in an uncertainty requiring recognition. Income tax years ended prior to March 31, 2019 are no longer subject to audit by taxing authorities.

Revenue recognition - In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 requires an organization to recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity is expected to be entitled in exchange for those goods or services. On January 1, 2019, the Foundation adopted ASU 2014-09, using the modified retrospective approach. The Foundation applied the five-step revenue model stipulated by ASC 606 to all of its significant revenue streams in order to determine when revenue is earned and recognized.

All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Advertising - The Foundation expenses advertising costs as incurred. Total advertising expense for the years ended March 31, 2022 and 2021 was \$228,163 and \$229,407, respectively.

Concentration of credit risk - The Foundation maintains its cash balances at various financial institutions. The accounts at each of these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at these institutions exceeded the federally insured limits. The Foundation has not experienced any losses with respect to its cash balances.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 1: Summary of significant accounting policies: (continued)

Contributions payable - Contributions are recorded as expense in the period committed.

Joint costs of activities that include a fundraising appeal - The Foundation achieves some of its programmatic goals during special events that include elements of management and general and fundraising. The costs of conducting those events included a total of \$404,427 and \$653,064 of joint costs that are not directly attributable to either the program, management and general or the fundraising component of the activities for the years ended March 31, 2022 and 2021, respectively. Those joint costs consisted of the following at March 31:

	<u>2022</u>	<u>2021</u>
Program	\$ 216,927	\$ 339,897
Management and general	15,814	13,813
Fundraising	<u>171,686</u>	<u>299,354</u>
Total joint costs	<u>\$ 404,427</u>	<u>\$ 653,064</u>

Risks and uncertainties - In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact the Foundation's operating results, but the related financial impact is unknown at this time.

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive 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.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 1: Summary of significant accounting policies: (continued)

Fair value measurements (continued) - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management 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.

Note 2: Liquidity and availability:

The following reflects the Foundation's financial assets on March 31, 2022 and 2021, reduced by amounts that are not available for general use because of donor imposed or time restrictions within one year of the balance sheet date.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 5,508,565	\$ 2,236,400
Restricted cash	217,485	197,150
Contributions receivable, net	160,965	84,098
	<u>5,887,015</u>	<u>2,517,648</u>
Less those unavailable for general expenditure within one year, due to:		
Board designated funds	(2,550,000)	-
Endowment	(219,542)	(210,857)
Amounts designated for future purpose restrictions	(170,390)	(93,100)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,947,083</u>	<u>\$ 2,213,691</u>

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 2: Liquidity and availability: (continued)

Net assets with donor restrictions consist of cash received to be used for specific program expenditures in the coming fiscal year or as part of an endowment the Foundation received. The Boomer Esiason Foundation relies on Individual, Foundation and Corporate donors to provide the resources to support the Foundation's operating activities.

Note 3: Investments:

FASB ASC 820 requires financial assets and liabilities to be valued and disclosed based on the fair value hierarchy. The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value at March 31, 2022:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Bond funds	\$ -	\$ -	\$ -	\$ -
Epistemic AI, Inc.	<u>23,515</u>	<u>-</u>	<u>-</u>	<u>23,515</u>
Total investments at fair value	<u>\$ 23,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,515</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value at March 31, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Bond funds	\$ 2,805,495	\$ 2,805,495	\$ -	\$ -
Epistemic AI, Inc.	<u>13,750</u>	<u>-</u>	<u>-</u>	<u>13,750</u>
Total investments at fair value	<u>\$ 2,819,245</u>	<u>\$ 2,805,495</u>	<u>\$ -</u>	<u>\$ 13,750</u>

Donated equity securities are sold as soon after donation as possible. As of March 31, 2022 and 2021, all donated investments had been sold.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 3: Investments: (continued)

The Foundation's investment return was made up of the following for the years ended March 31:

	<u>2022</u>	<u>2021</u>
Realized loss on investments	\$ (182,983)	\$ (36,814)
Less: investment fees	-	-
Total realized loss on investments	<u>(182,983)</u>	<u>(36,814)</u>
Unrealized gain (loss) on investments	<u>(735)</u>	<u>101,457</u>
Total gain (loss) on investments	<u>(183,718)</u>	<u>64,643</u>
Interest and dividends	<u>69,173</u>	<u>115,841</u>
Total investment return (loss)	<u>\$ (114,545)</u>	<u>\$ 180,484</u>

The investments are designated as unrestricted and as such, the investment return is included as increases or decreases in without donor restriction net assets.

At December 2021, the Foundation's certificate of deposit reached maturity and was not renewed. At March 31, 2021, the Foundation held a certificate of deposit totaling \$114,030. The annual yield and the term for this certificate of deposit were as follows:

<u>Type</u>	<u>Value</u>	<u>Term</u>	<u>Yield</u>
CD	\$ 114,030	6 months	0.10%

Note 4: Paycheck Protection Program loan:

On April 17, 2020, the Foundation was granted a loan from Sandy Spring Bank in the aggregate amount of \$273,570, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan was set to mature on April 17, 2022 and bore interest at a rate of 1.00% per annum.

Additionally, on March 18, 2021, the Foundation was granted another loan from Sandy Spring Bank in the aggregate amount of \$273,570, pursuant to the Continuing the Paycheck Protection Program and Other Small Business Support (the "PPP") under Division N, Title III of the Consolidated Appropriations Act, 2021, which was enacted December 27, 2020. The Loan was set to mature on March 18, 2023 and bore interest at a rate of 1.00% per annum.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 4: Paycheck Protection Program loan: (continued)

The PPP provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. Under the current terms of the PPP, the loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness is reduced if the borrower terminates employees or reduces salaries during the measurement period. On June 17, 2021 and December 10, 2021, the loans were forgiven by the U.S. Small Business Administration, including all principal and accrued interest related to the loans.

Note 5: Net assets with donor restrictions:

The net assets with donor restrictions of the Foundation are available for the following purposes at March 31:

	<u>2022</u>	<u>2021</u>
Endowment	\$ 219,542	\$ 210,857
Education and other purposes	176,983	292,678
Time	<u>181,818</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 578,343</u>	<u>\$ 503,535</u>

Note 6: Related party transactions:

Certain members of the Board and companies owned by these Board members conduct business with the Foundation for accounting and consulting services. As of March 31, 2022 and 2021, the amounts included in accounts payable that were due to various Board members were \$10,813 and \$-0-, respectively. For the years then ended, the related expenses for these services were \$106,180 and \$69,828, respectively.

During the years ended March 31, 2022 and 2021, certain employees and members of the Board pledged contributions to the Foundation and had various personal expenses paid on their behalf. As of March 31, 2022 and 2021, the amounts included in contributions receivable that were due from various employees and Board members were \$2,865 and \$2,037, respectively.

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Notes to Financial Statements

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Note 7: Defined contribution plan:

The Foundation sponsors a qualified 403(b) pension plan for the benefit of eligible participating employees. Employer contributions to the plan are discretionary and based on a percentage of employee compensation. Participants are vested in employer contributions according to provisions of the plan. Effective May 1, 2014, the plan was amended to require one year of service in order for participants to be eligible for employer contributions. Employer contributions for the years ended March 31, 2022 and 2021 were \$-0- and \$32,416, respectively.

Note 8: Commitments:

The Foundation entered into a 60-month lease for office space in New York City, NY effective September 1, 2009. The lease was renewed multiple times, and the most recent lease was renewed for 60 months effective September 1, 2019. The Foundation also entered into a 24-month lease for office space in Garden City Park, NY effective October 1, 2012. The lease was renewed multiple times, and the most recent lease was renewed for 36 months effective October 1, 2021. In addition to base rent and additional rent for utilities, the Foundation is also required to reimburse the landlord for its proportionate share of real estate taxes at each of these locations. Minimum future rental payments under these leases are as follows:

2023	\$	198,392
2024		205,526
2025		<u>94,201</u>
Total	\$	<u>498,119</u>

Rent expense under these lease agreements was \$178,779 and \$165,302 for the years ended March 31, 2022 and 2021, respectively.

Note 9: Donor-designated endowment:

At March 31, 2022 and 2021, the Foundation's permanently restricted endowment consisted of one donor-restricted fund established to provide scholarships. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 9: Donor-designated endowment: (continued)

The Board of The Boomer Esiason Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as with donor restrictions net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. These donor-restricted endowment funds will remain with donor restrictions net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The expected total return from income and the appreciation of investments
- (5) Other resources of the Foundation

The endowment assets are currently deposited into an interest-bearing bank account. Under the terms of the endowment, interest earnings are to be used to fund scholarships and are therefore treated as temporarily restricted net assets; interest earned on this account for the years ended March 31, 2022 and 2021 was \$170 and \$682, respectively. The Foundation has yet to determine investment and spending policies for the endowment as of March 31, 2022.

Composition of and changes in endowment net assets for the years ended March 31 were as follows:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 210,857	\$ 196,468
Contributions	<u>8,685</u>	<u>14,389</u>
Endowment net assets, end of year	<u>\$ 219,542</u>	<u>\$ 210,857</u>

The Boomer Esiason Foundation

Notes to Financial Statements

March 31, 2022 and 2021

Note 10: In-kind contributions:

In-kind contributions are reflected as contributions at the estimated fair value of the donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Foundation received donated prizes, food and beverages for the years ended March 31, 2022 and March 31, 2021 for \$58,680 and \$34,560 respectively.

Note 11: Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited using various cost allocation techniques. Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function are charged to programs and support services on the basis of personnel salary. Special events are primarily to educate and are deemed program expenses. 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 Foundation. The overall expense allocated to programs was 80% and 83% for 2022 and 2021, respectively.

Note 12: Subsequent events:

In April 2022, the Foundation's Board ratified a board designated (without donor restrictions) Foundation Endowment account. The funds are to be used for a myriad of Foundation missions, including patient related expenses, causes, scholarships and investing in different projects, among others. The endowment account is being managed by a related party and as of fiscal year-end 2022 the Board has funded \$2,550,000 into the account.

Subsequent events have been evaluated through August 26, 2022, which is the date the financial statements were available to be issued.

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