

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION**

AUDITED FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019



**Elizabeth Dole Foundation**

CARING FOR MILITARY FAMILIES

# CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

## TABLE OF CONTENTS

	<b>Page</b>
Report of Independent Auditors	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-20

## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors  
Caring for Military Families: The Elizabeth Dole Foundation  
Washington, D.C.

We have audited the accompanying financial statements of Caring for Military Families: The Elizabeth Dole Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caring for Military Families: The Elizabeth Dole Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Financial Statements**

The financial statements of Caring for Military Families: The Elizabeth Dole Foundation as of and for the year ended December 31, 2019 were audited by other auditors, whose report dated September 17, 2020 expressed an unmodified opinion on those statements.

*UHY LLP*

Columbia, Maryland  
July 30, 2021

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
As of December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,875,597	\$ 2,690,768
Contributions receivable	380,500	1,357,575
Prepaid expenses	<u>64,846</u>	<u>9,145</u>
Total current assets	<u>6,320,943</u>	<u>4,057,488</u>
PROPERTY AND EQUIPMENT, NET	<u>94,053</u>	<u>117,312</u>
OTHER ASSETS		
Investments	1,152,652	904,107
Long-term contributions receivable, net	-	48,677
Deposits	<u>9,883</u>	<u>-</u>
Total other assets	<u>1,162,535</u>	<u>952,784</u>
Total assets	<u>\$ 7,577,531</u>	<u>\$ 5,127,584</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 75,090	\$ 81,049
Accrued expenses	134,140	58,395
Paycheck Protection Program loan	<u>176,080</u>	<u>-</u>
Total current liabilities	385,310	139,444
NONCURRENT LIABILITIES		
Deferred rent	<u>69,599</u>	<u>62,156</u>
Total liabilities	<u>454,909</u>	<u>201,600</u>
NET ASSETS		
Without donor restrictions	5,934,367	3,429,599
With donor restrictions	<u>1,188,255</u>	<u>1,496,385</u>
Total net assets	<u>7,122,622</u>	<u>4,925,984</u>
Total liabilities and net assets	<u>\$ 7,577,531</u>	<u>\$ 5,127,584</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support and Gains</b>			
Grants and contributions	\$ 3,546,559	\$ 4,474,312	\$ 8,020,871
In-kind contributions	128,000	-	128,000
Interest and dividend income	21,007	-	21,007
Net gain on investments	112,418	-	112,418
Net assets released from restrictions	4,782,442	(4,782,442)	-
	<u>8,590,426</u>	<u>(308,130)</u>	<u>8,282,296</u>
<b>Expenses</b>			
Program services:			
Campaign for inclusive care	876,587	-	876,587
Caregiver fellows	189,376	-	189,376
Hidden Heroes Campaign	2,996,875	-	2,996,875
Elizabeth Dole gala	414,475	-	414,475
Children's research	195,000	-	195,000
	<u>4,672,313</u>	<u>-</u>	<u>4,672,313</u>
Supporting services:			
General and administrative	1,062,320	-	1,062,320
Fundraising	351,025	-	351,025
	<u>1,413,345</u>	<u>-</u>	<u>1,413,345</u>
	<u>6,085,658</u>	<u>-</u>	<u>6,085,658</u>
<b>Change in net assets</b>	2,504,768	(308,130)	2,196,638
<b>Net assets, beginning of year</b>	<u>3,429,599</u>	<u>1,496,385</u>	<u>4,925,984</u>
<b>Net assets, end of year</b>	<u>\$ 5,934,367</u>	<u>\$ 1,188,255</u>	<u>\$ 7,122,622</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support and Gains</b>			
Grants and contributions	\$ 255,082	\$ 4,369,814	\$ 4,624,896
In-kind contributions	331,281	-	331,281
Interest and dividend income	32,006	-	32,006
Net gain on investments	145,561	-	145,561
Net assets released from restrictions	5,417,004	(5,417,004)	-
	<u>6,180,934</u>	<u>(1,047,190)</u>	<u>5,133,744</u>
Total revenue, support and gains			
<b>Expenses</b>			
Program services:			
Campaign for inclusive care	592,401	-	592,401
Caregiver fellows	453,221	-	453,221
Hidden Heroes Campaign	2,403,516	-	2,403,516
Impact forum	126,941	-	126,941
Elizabeth Dole gala	514,246	-	514,246
Children's research	97,192	-	97,192
	<u>4,187,517</u>	<u>-</u>	<u>4,187,517</u>
Total program services			
Supporting services:			
General and administrative	959,161	-	959,161
Fundraising	231,550	-	231,550
	<u>1,190,711</u>	<u>-</u>	<u>1,190,711</u>
Total supporting services			
Total expenses	<u>5,378,228</u>	<u>-</u>	<u>5,378,228</u>
<b>Change in net assets</b>	802,706	(1,047,190)	(244,484)
<b>Net assets, beginning of year</b>	<u>2,626,893</u>	<u>2,543,575</u>	<u>5,170,468</u>
<b>Net assets, end of year</b>	<u>\$ 3,429,599</u>	<u>\$ 1,496,385</u>	<u>\$ 4,925,984</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION**  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2020

	Program Services					Supporting Services				Total
	Campaign for Inclusive Care	Caregiver Fellows	Hidden Heroes Campaign	Elizabeth Dole Gala	Children's Research	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries, benefits and taxes	\$ 204,190	\$ 78,649	\$ 873,687	\$ -	\$ -	\$ 1,156,526	\$ 313,342	\$ 104,684	\$ 418,026	\$ 1,574,552
Advertising	16,869	1,290	34,340	2,649	-	55,148	5,768	164	5,932	61,080
Bank fees	-	-	-	-	-	-	5,402	-	5,402	5,402
Communications	117,715	5,400	284,182	26,185	-	433,482	40,785	8,461	49,246	482,728
Computer supplies	-	-	-	-	-	-	2,559	-	2,559	2,559
Consulting	329,167	33,750	659,447	346,850	195,000	1,564,214	48,054	197,462	245,516	1,809,730
Content creation	35,275	-	111,705	9,485	-	156,465	-	561	561	157,026
Depreciation and amortization	-	-	13,133	-	-	13,133	17,597	-	17,597	30,730
Dues and subscriptions	49,828	1,867	44,423	7,516	-	103,634	18,504	5,368	23,872	127,506
Gifts	-	35,443	233,895	-	-	269,338	13,386	445	13,831	283,169
Grant and sponsorships	-	9,144	306,115	-	-	315,259	-	-	-	315,259
Interest expense	-	-	-	-	-	-	1,255	-	1,255	1,255
Internet and website	7,549	2,700	346,978	-	-	357,227	322	-	322	357,549
Meetings and conferences	20,604	3,148	34,834	-	-	58,586	3,235	120	3,355	61,941
Occupancy	50,524	-	-	-	-	50,524	232,780	-	232,780	283,304
Online donation fees	-	-	-	-	-	-	131	15,140	15,271	15,271
Payroll processing fees	1,663	-	-	-	-	1,663	8,193	-	8,193	9,856
Postage	171	5,703	13,923	-	-	19,797	3,464	14,972	18,436	38,233
Printing	792	302	15,737	-	-	16,831	1,345	3,172	4,517	21,348
Professional fees	37,225	-	6,208	1,790	-	45,223	149,075	-	149,075	194,298
Seminars and training	-	-	-	-	-	-	1,953	-	1,953	1,953
Special events	-	6,114	-	20,000	-	26,114	-	-	-	26,114
Supplies	129	1,726	5,325	-	-	7,180	16,356	476	16,832	24,012
Travel	4,886	4,140	12,943	-	-	21,969	128,814	-	128,814	150,783
Uncollectible receivable	-	-	-	-	-	-	50,000	-	50,000	50,000
	<u>\$ 876,587</u>	<u>\$ 189,376</u>	<u>\$ 2,996,875</u>	<u>\$ 414,475</u>	<u>\$ 195,000</u>	<u>\$ 4,672,313</u>	<u>\$ 1,062,320</u>	<u>\$ 351,025</u>	<u>\$ 1,413,345</u>	<u>\$ 6,085,658</u>



**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2019**

	Program Services						Supporting Services			Total	
	Campaign for Inclusive Care	Caregiver Fellows	Hidden Heroes Campaign	Impact Forum	Elizabeth Dole Gala	Children's Research	Total Program Services	General and Administrative	Fundraising		Total Supporting Services
Salaries, benefits and taxes	\$ 98,141	\$ 74,747	\$ 206,458	\$ 81,165	\$ -	\$ 21,857	\$ 482,368	\$ 389,060	\$ 69,712	\$ 458,772	\$ 941,140
Advertising	1,592	7,256	59,065	-	-	-	67,913	-	-	-	67,913
Bank fees	-	-	-	-	-	-	-	3,980	-	3,980	3,980
Communications	35,294	90,543	126,501	-	-	-	252,338	27,495	-	27,495	279,833
Computer supplies	-	1	577	-	-	-	578	8,184	-	8,184	8,762
Consulting	276,950	98,217	440,905	40,187	-	-	856,259	24,198	149,250	173,448	1,029,707
Content creation	1,925	-	102,850	5,000	-	-	109,775	-	-	-	109,775
Depreciation and amortization	-	-	71,198	-	-	-	71,198	12,826	-	12,826	84,024
Dues and subscriptions	-	140	5,058	-	-	-	5,198	4,536	-	4,536	9,734
Gifts	-	15,018	4,926	-	-	-	19,944	27,023	-	27,023	46,967
Grants and sponsorships	5,000	11,255	633,000	-	-	75,000	724,255	-	-	-	724,255
Internet and website	57,021	6,447	233,649	-	-	-	297,117	3,356	3,645	7,001	304,118
License and fees	1,308	-	25	-	-	-	1,333	4,211	-	4,211	5,544
Meetings and conferences	3,890	15,025	271,712	345	-	-	290,972	846	-	846	291,818
Occupancy	-	-	-	-	-	-	-	231,557	-	231,557	231,557
Online donation fees	-	-	-	-	-	-	-	-	5,968	5,968	5,968
Payroll processing fees	461	-	-	-	-	-	461	3,745	-	3,745	4,206
Postage	294	5,113	4,961	-	-	-	10,368	794	120	914	11,282
Printing	-	1,058	22,709	244	-	335	24,346	2,410	2,855	5,265	29,611
Professional fees	16,306	-	978	-	-	-	17,284	99,926	-	99,926	117,210
Seminars and training	85,113	1,770	3,000	-	-	-	89,883	-	-	-	89,883
Special events	-	-	30,000	-	514,246	-	544,246	-	-	-	544,246
Supplies	55	10,361	6,610	-	-	-	17,026	10,558	-	10,558	27,584
Travel	9,051	116,270	179,334	-	-	-	304,655	104,456	-	104,456	409,111
	<u>\$ 592,401</u>	<u>\$ 453,221</u>	<u>\$ 2,403,516</u>	<u>\$ 126,941</u>	<u>\$ 514,246</u>	<u>\$ 97,192</u>	<u>\$ 4,187,517</u>	<u>\$ 959,161</u>	<u>\$ 231,550</u>	<u>\$ 1,190,711</u>	<u>\$ 5,378,228</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,196,638	\$ (244,484)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	30,730	84,024
Bad debt	50,000	-
Non-cash contributions received	(120,998)	-
Realized and unrealized gains on investments	(112,418)	(152,961)
Loss on disposal of property and equipment	2,613	-
Decrease (increase) in assets:		
Contributions receivable	975,752	828,474
Prepaid expenses	(55,701)	102,735
Deposits	(9,883)	5,000
Increase (decrease) in liabilities:		
Accounts payable	(5,959)	(270,285)
Accrued expenses	75,745	29,392
Deferred rent	7,443	62,156
	<u>3,033,962</u>	<u>444,051</u>
Net cash provided by operating activities		
	<u>3,033,962</u>	<u>444,051</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	230,660	189,820
Purchases of investments	(245,789)	(201,600)
Purchases of property and equipment	(10,084)	(116,942)
	<u>(25,213)</u>	<u>(128,722)</u>
Net cash used in investing activities		
	<u>(25,213)</u>	<u>(128,722)</u>
<b>Cash Flows Provided by Financing Activities</b>		
Proceeds from Paycheck Protection Program loan	176,080	-
	<u>176,080</u>	<u>-</u>
Net increase in cash and cash equivalents	3,184,829	315,329
Cash and cash equivalents, beginning of year	2,690,768	2,375,439
	<u>2,690,768</u>	<u>2,375,439</u>
Cash and cash equivalents, end of year	<u>\$ 5,875,597</u>	<u>\$ 2,690,768</u>

# **CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**For the years ended December 31, 2020 and 2019**

### **NOTE 1 - NATURE OF ORGANIZATION AND PROGRAMS**

Caring for Military Families: The Elizabeth Dole Foundation (the Foundation) was formed on February 23, 2012 as a nonprofit organization incorporated in Virginia. The purpose of the Foundation is to uplift American military caregivers by strengthening the services afforded to them through innovation, evidence-based research, and collaboration.

The Foundation provides the following programs:

#### ***Campaign for Inclusive Care***

The Foundation partnered with the Department of Veteran Affairs to create the Campaign for Inclusive Care program, a national initiative to integrate military and veteran caregivers into their veteran's care team from day one of the care process.

#### ***Caregiver Fellows Program***

The Caregiver Fellows Program was created to engage active military and veteran caregivers directly in the Foundation's initiatives. The caregivers provide input to a study performed by RAND Corporation, a global policy think tank, which allows them an opportunity to advise other Foundation programs and to play a leading role in raising awareness.

#### ***Hidden Heroes Campaign***

With the leadership of Hidden Heroes Chair, Tom Hanks, and the support of our National Coalition Partners and donors, the Foundation launched the Hidden Heroes Campaign in the fall of 2016 to drive awareness to the contributions, challenges, and needs of military caregivers and their families. The launch of the Hidden Heroes Campaign included the creation of HiddenHeroes.org, a first-of-its-kind online destination for military caregivers to access a directory of vetted resources, connect with a community of their peers, and find and share caregiver stories.

#### ***Impact Forum***

The Foundation's RAND study identified the needs and gaps in caregiver support as critical areas. Building from this information, the Foundation organized seven focused Impact Forums to engage key leaders across its National Coalition. The Impact Forums were created to provide sustainable, evidence-based solutions to military and veteran caregivers by reviewing caregiver needs, identifying resources for support, and recommending actions in each of the seven areas.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2020 and 2019**

**NOTE 1 - NATURE OF ORGANIZATION AND PROGRAMS (Continued)**

**Children's Research**

The subject of military children - and the impact of caregiving on their development and growth - has revealed itself to be a pressing issue on the minds of support organizations, military leaders, policy makers, and military families themselves. A 2017 research blueprint, commissioned by the Foundation, and conducted by the RAND Corporation, revealed that no published studies exist exploring the impact of caregiving on the children of caregivers. The RAND blueprint ranked research on the impact of caregiving on children as one of the highest priorities for improving military caregiver support going forward. The Foundation is working to fill this gap through research on (1) how military children are affected by a family member with a combat injury or illness, (2) how military children are affected by taking on caregiving duties themselves, and (3) what interventions or programs can best support the children of caregivers.

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

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Revenues are recognized in the period in which they are earned and expenses are recognized when the obligation is incurred.

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents**

The Foundation considers all savings accounts and highly liquid investments with original maturities of three months or less at acquisition to be cash equivalents.

**Contribution Receivables**

Contribution receivables are reported at the amount management expects to collect from outstanding principal balances. In reviewing the receivables, management considers the knowledge of the accounts and historical activity in establishing an allowance for doubtful accounts. No allowance for doubtful accounts is provided as of December 31, 2020 and 2019.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

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

**Property and Equipment**

Property and equipment are recorded at cost, or if donated, the assets are capitalized at the estimated fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of 3 years for the office equipment, furniture and fixtures, and the website. The Foundation capitalizes all expenditures for property and equipment over \$2,500. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities.

**Investments**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses, interest and dividends, and investment expenses are included in the change in net assets. Investment income, gains, and losses which are restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income, gains, or losses are recognized.

**Basis of Presentation**

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified in the following two classes:

**Net assets without donor restrictions** represents funds that are available to support the operations of the Foundation and are not subject to donor restrictions.

**Net assets with donor restrictions** consist of contributions that have been restricted by the donor for specific purposes or are time restricted, including contributions that have been restricted by the donor that stipulate the resources be maintained in perpetuity, but permit the Foundation to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

See Note 8 for more information on the composition of net assets with donor restrictions.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

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

**Revenue Recognition**

Grants and contributions are recognized as revenue when they are received or unconditionally promised (pledged). The Foundation reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Restrictions expire when a stipulated time restriction ends, or a purpose restriction is accomplished.

Stock contributions are recognized as revenue when they are received or unconditionally promised. The Foundation also incurs investment income from dividends, interest and capital gains from the stock contributions.

Conditional promises to give are only recognized when the conditions on which they depend are substantially met. As of December 31, 2020 and 2019, there were no conditional promises to give.

**In-Kind Contributions**

Contributed goods and services are recorded at their fair value at the date of receipt. For the years ended December 31, 2020 and 2019, in-kind contributions including consulting services, lodging and travel totaled \$128,000 and \$331,281, respectively.

**Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of time records and other support, or by estimates made by management. The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Foundation. Those expenses include salaries, internet and website, communications, depreciation and amortization, supplies, and payroll processing fees. As such costs are allocated based on estimates of time and specific utilization.

**Reclassifications**

Certain amounts from 2019 financial statements have been reclassified to conform to the 2020 presentation. There was no effect on the 2019 change in net assets as a result of these reclassifications.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

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

**Income Taxes**

The Foundation is a non-profit organization and is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. No provision for income taxes is required for the years ended December 31, 2020 and 2019, as the Foundation had no net unrelated business income.

**Accounting for Uncertain Tax Positions**

The Foundation has evaluated its current tax positions and has concluded that as of December 31, 2020 and 2019, the Foundation does not have any significant uncertain tax positions for which a reserve would be necessary.

**Accounting Pronouncements Not Yet Adopted**

The Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842). This ASU changes the accounting treatment for operating leases by recognizing both a lease asset and a lease liability, at the present value of the lease payments, in the statement of financial position. Additional disclosures regarding key information about the leasing arrangements will also be required. The FASB also issued ASU 2020-05 that deferred the effective date until the year ended December 31, 2022 when the Foundation plans to adopt Topic 842. Management is currently assessing the impact that the requirement to record a right-to-use asset and right-to-use liability for operating leases will have on the Foundation's financial statements.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The amendments in the ASU improves the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU is effective for the year ending December 31, 2021 and will be applied on a retrospective basis. The Foundation does not anticipate that this ASU will have a material impact on the financial statements.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 380,500	\$ 1,357,575
Receivable in one to five years	<u>-</u>	<u>50,000</u>
Total contributions receivable	380,500	1,407,575
Less: discounts to net present value	<u>-</u>	<u>(1,323)</u>
Net contributions receivable	<u>\$ 380,500</u>	<u>\$ 1,406,252</u>

Contributions due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 1.41% as of December 31, 2020 and 2019.

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

The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value for assets subject to fair value measurement. The framework provides a fair value hierarchy that prioritizes 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 valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2      Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.
- Level 3      Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The asset'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 input and minimize the use of unobservable inputs.



**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

A description of the valuation methodology used for assets measured at fair value is noted below. There have been no changes in the methodology used as of December 31, 2020 and 2019.

**Mutual Funds and Exchange Traded Funds** - Valued at quoted market prices in an exchange and active market.

**Common Stock** - Valued at the closing share price reported on the active market on which the individual securities are traded.

**Bonds** - Valued using the present value of future interest payments and the bond value upon maturity.

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 the Foundation believes its valuation method is 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 table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 363,200	\$ -	\$ -	\$ 363,200
Exchange traded funds	238,074	-	-	238,074
Common stock	261,024	-	-	261,024
Bonds	<u>290,354</u>	<u>-</u>	<u>-</u>	<u>290,354</u>
Total investments, at fair value	<u>\$ 1,152,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,152,652</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 337,701	\$ -	\$ -	\$ 337,701
Exchange traded funds	235,207	-	-	235,207
Common stock	84,678	-	-	84,678
Bonds	<u>246,521</u>	<u>-</u>	<u>-</u>	<u>246,521</u>
Total investments, at fair value	<u>\$ 904,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 904,107</u>

For the year ended December 31, 2020 and 2019, unrealized gains on investments totaled \$112,418 and \$138,462, respectively. For the years ended December 31, 2020 and 2019, realized gains on investments totaled \$0 and \$7,099, respectively.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 5 - PROPERTY AND EQUIPMENT**

The Foundation held the following property and equipment as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Office equipment	\$ 16,575	\$ 16,575
Furniture and fixtures	116,813	109,342
Website	<u>313,602</u>	<u>313,602</u>
	446,990	439,519
Less: accumulated depreciation and amortization	<u>(352,937)</u>	<u>(322,207)</u>
Property and equipment, net	<u>\$ 94,053</u>	<u>\$ 117,312</u>

For the years ended December 31, 2020 and 2019, depreciation and amortization related to property and equipment totaled \$30,730 and \$84,024, respectively.

**NOTE 6 - PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

On April 8, 2020, the Foundation entered into a U.S. Small Business Administration ("SBA") PPP Loan in the principal amount of \$176,080 evidencing a PPP Loan from the JPMorgan Chase Bank. The PPP Loan will bear interest at a rate of 1.0% per annum. No payments will be due on the PPP Loan until either (1) the date that SBA remits the loan forgiveness amount to the lender or (2) if the Foundation does not apply for loan forgiveness, 10 months after the end of the Foundation's loan forgiveness covered period. If the PPP Loan is not forgiven, the Foundation will be obligated to make monthly payments of principal and interest, each in such equal amount required to fully amortize the principal amount outstanding on the PPP Loan by the maturity date. The Foundation incurred interest costs of \$1,255 for the year ended December 31, 2020. The maturity date is April 8, 2022.

The principal amount of the PPP Loan is subject to forgiveness by the JPMorgan Chase Bank through the SBA upon the Foundation's request to the extent that PPP Loan proceeds were used to pay expenses permitted by the PPP, including payroll, rent, and utilities. The JPMorgan Chase Bank may forgive interest accrued on any principal forgiven if the SBA pays the interest. There can be no assurance that any part of the PPP Loan will be forgiven.

According to the rules of the SBA, the Foundation is required to retain PPP Loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Foundation's judgments pertaining to satisfying PPP Loan eligibility or forgiveness conditions, the Foundation may be required to adjust previously reported amounts and disclosures in the financial statements.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 6 - PAYCHECK PROTECTION PROGRAM (PPP) LOAN (Continued)**

The PPP loan contains customary borrower default provisions and lender remedies, including the right of the JPMorgan Chase Bank to require immediate repayment in full of the outstanding principal balance of the PPP loan with accrued interest.

The Foundation accounts for the PPP proceeds received under the accounting guidance for debt. As of the date of the audit report, the Foundation was in the process of submitting the application for the forgiveness of the loan.

**NOTE 7 - CONCENTRATION RISKS**

***Financial Institutions and Market Risk***

The Foundation maintains its cash and investment balances at financial institutions and at times, these balances may exceed federally insured limits. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

Investments are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. The Foundation is exposed to equity securities price risk in quoted shares classified at fair value. The Foundation diversifies its portfolio for the purposes of minimizing exposure in this area. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

***Major Contributor***

During the years ended December 31, 2020 and 2019, the Foundation received \$1,800,000 and \$1,020,000 in support from one contributor, respectively. These contributions represented approximately 22% and 20% of its total revenue. The Foundation relies on the support of contributors to ensure the continuing operations of the organization. Any significant reduction in funding from contributors may impact the Foundation's ability to carry out its program and other activities.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2020:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Released from restrictions</u>	<u>Ending balance</u>
Hidden Heroes Campaign	\$ 62,501	\$ 2,442,699	\$ (2,455,200)	\$ 50,000
Campaign for inclusive care	1,099,219	750,000	(876,589)	972,630
2020 Elizabeth Dole gala	60,000	1,026,613	(1,086,613)	-
Caregiver fellow professional development training program	100,000	255,000	(189,375)	165,625
Children's research	124,665	-	(124,665)	-
Time restricted	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Total	<u>\$ 1,496,385</u>	<u>\$ 4,474,312</u>	<u>\$ (4,782,442)</u>	<u>\$ 1,188,255</u>

Net assets with donor restrictions consist of the following at December 31, 2019:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Released from restrictions</u>	<u>Ending balance</u>
Hidden Heroes Campaign	\$ 71,696	\$ 2,187,863	\$ (2,197,058)	\$ 62,501
Campaign for inclusive care	1,689,677	27,326	(617,784)	1,099,219
2019 Elizabeth Dole gala	300,000	289,246	(589,246)	-
2020 Elizabeth Dole gala	50,000	10,000	-	60,000
Caregiver fellow professional development training program	-	208,275	(108,275)	100,000
Children's research	-	200,000	(75,335)	124,665
Time restricted	<u>432,202</u>	<u>1,447,104</u>	<u>(1,829,306)</u>	<u>50,000</u>
Total	<u>\$ 2,543,575</u>	<u>\$ 4,369,814</u>	<u>\$ (5,417,004)</u>	<u>\$ 1,496,385</u>

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 9 - OPERATING LEASE COMMITMENTS**

On October 12, 2018, the Foundation entered into an agreement to rent office space in Washington, DC. The lease commenced on April 1, 2019 and expires on July 31, 2024. The lease agreement calls for monthly rent payments of 17,543. The lease provides for annual rent escalations.

During the years ended December 31, 2020 **and 2019**, rent expense totaled \$251,138 and \$214,959, respectively.

Future minimum payments are as follows for the years ending December 31:

	<u>Amount</u>
2021	\$ 257,583
2022	264,012
2023	270,605
2024	<u>161,091</u>
Total future minimum lease payments	<u>\$ 953,291</u>

**NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Foundation's financial assets available within one year for general operations from December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 5,875,597	\$ 2,690,768
Contributions receivable	380,500	1,357,575
Investments	<u>1,152,652</u>	<u>904,107</u>
Total financial assets	7,408,749	4,952,450
Less those unavailable for general expenditure within one year due to:		
Donor-imposed restrictions	<u>(1,188,255)</u>	<u>(1,496,385)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 6,220,494</u>	<u>\$ 3,456,065</u>

As part of the Foundation's liquidity management, the Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. The Foundation typically pays its obligations using cash.

**CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2020 and 2019

**NOTE 11 - COVID-19 FINANCIAL STATEMENT IMPACTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Foundation is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Foundation's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 12 - SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the statement of financial position date for potential recognition or disclosure through July 30, 2021, which is the date the financial statements were available to be issued. There were no events that required recognition or disclosure in the financial statements, except as noted below.