

Cheryl Rohlf & Associates, Ltd.

Certified Public Accountants

MAESTRO CARES FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

WITH

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	Page
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flow	7
Notes to Financial Statements	8-14



Cheryl Rohlfs & Associates, Ltd.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 9, 2021

To the Board of Directors of
Maestro Cares Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Maestro Cares Foundation (an Illinois nonprofit organization), which comprise the statements of financial position, as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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 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.

Cheryl Rohlf & Associates, Ltd.

Certified Public Accountants

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 Maestro Cares Foundation as of December 31, 2020 and 2019, 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.

Cheryl Rohlf & Associates, Ltd.

CHERYL ROHLFS & ASSOCIATES, LTD.

Northbrook, Illinois

MAESTRO CARES FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,693,641	\$ 4,134,820
Investments	1,665,499	1,595,441
Unconditional Promises to Give	4,615	402,128
Prepaid Expenses	211,115	99,877
Property and Equipment:		
Office Equipment	41,130	36,698
Less: Accumulated Depreciation	<u>(27,794)</u>	<u>(23,402)</u>
Total Property and Equipment	<u>13,336</u>	<u>13,296</u>
Total Assets	<u>\$ 5,588,206</u>	<u>\$ 6,245,562</u>
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 23,417	\$ 257,763
Deferred Revenue	<u>80,000</u>	<u>416,381</u>
Total Liabilities	<u>103,417</u>	<u>674,144</u>
Net Assets		
Without Donor Restrictions	<u>5,484,789</u>	<u>5,571,418</u>
Total Net Assets	<u>5,484,789</u>	<u>5,571,418</u>
Total Liabilities and Net Assets	<u>\$ 5,588,206</u>	<u>\$ 6,245,562</u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and Gains:		
Contributions and Grants	\$ 1,005,083	\$ 482,053
Concert and Ticket Donations	222,192	2,135,780
Fundraising and Special Events	77,085	1,376,488
In-kind Contributions	127,746	133,087
Investment Income, net of investment fees of \$7,150 in 2020 and \$8,987 in 2019	158,040	152,955
Miscellaneous Income	<u>3,244</u>	<u>1,695</u>
Total Revenues and Gains Without Donor Restrictions	1,593,390	4,282,058
Net Assets Released From Restrictions, Satisfied by Payments	<u>-</u>	<u>30,000</u>
Total Revenues, Gains and Other Support Without Donor Restrictions	<u>1,593,390</u>	<u>4,312,058</u>
Expenses:		
Program Services	950,250	1,819,181
Supporting Services:		
Management and General	320,634	371,853
Fundraising	<u>409,135</u>	<u>1,152,721</u>
Total Expenses	<u>1,680,019</u>	<u>3,343,755</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ (86,629)</u>	<u>\$ 968,303</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Donor Restricted Contribution Received	\$ -	\$ -
Net Assets Released From Restrictions	<u>-</u>	<u>(30,000)</u>
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ -</u>	<u>\$ (30,000)</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (86,629)	\$ 938,303
NET ASSETS, BEGINNING OF YEAR	<u>5,571,418</u>	<u>4,633,115</u>
NET ASSETS, END OF YEAR	<u>\$ 5,484,789</u>	<u>\$ 5,571,418</u>

See accompanying notes and independent auditor's report.

MAESTRO CARES FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Programs	Management and General	Fundraising	2020 Total
Compensation and Related Expenses:				
Salaries	\$ 212,445	\$ 59,206	\$ 76,620	\$ 348,271
Payroll Taxes	16,873	4,703	6,086	27,662
Employee Benefits	24,268	6,763	8,752	39,783
	<u>\$ 253,586</u>	<u>\$ 70,672</u>	<u>\$ 91,458</u>	<u>\$ 415,716</u>
Capital Project Grants	510,642	-	-	510,642
Scholarships	23,069	-	-	23,069
Contributions	144,360	4,000	66,456	214,816
Marketing	753	4,318	6,150	11,221
Contract Services and Consultants	2,967	33,011	91,812	127,790
Event Expenses	227	746	41,009	41,982
Bank and Credit Card Fees	29	8,403	2,254	10,686
Postage and Printing	-	5,658	14,363	20,021
Staff Development	-	325	115	440
Insurance	-	9,714	-	9,714
Donated Event Expenses	4,900	34,500	54,582	93,982
Donated Services	-	14,851	18,913	33,764
Supplies, Subscriptions and Reference Materials	-	7,132	439	7,571
Technology and Website	-	3,412	4,563	7,975
Communications	-	1,956	3,136	5,092
Occupancy	-	112,472	-	112,472
Travel, Meals and Lodging	9,673	2,188	13,086	24,947
Miscellaneous	44	2,884	799	3,727
Total Expenses Before Depreciation	<u>\$ 950,250</u>	<u>\$ 316,242</u>	<u>\$ 409,135</u>	<u>\$ 1,675,627</u>
Depreciation	-	4,392	-	4,392
TOTAL EXPENSES	<u><u>\$ 950,250</u></u>	<u><u>\$ 320,634</u></u>	<u><u>\$ 409,135</u></u>	<u><u>\$ 1,680,019</u></u>

See accompanying notes and independent auditor's report.

MAESTRO CARES FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

	Programs	Management and General	Fundraising	2019 Total
Compensation and Related Expenses:				
Salaries	\$ 195,818	\$ 44,048	\$ 125,047	\$ 364,913
Payroll Taxes	14,979	6,940	9,565	31,484
Employee Benefits	18,715	3,699	11,951	34,365
	<u>\$ 229,512</u>	<u>\$ 54,687</u>	<u>\$ 146,563</u>	<u>\$ 430,762</u>
Capital Project Grants	1,318,100	-	-	1,318,100
Scholarships	9,355	-	-	9,355
Contributions	177,202	27,007	374,317	578,526
Marketing	942	6,606	23,924	31,472
Contract Services and Consultants	10,678	54,755	64,486	129,919
Rentals and Production Services	14,669	930	263,796	279,395
Benefit Auction Expenses	-	-	60,249	60,249
Bank and Credit Card Fees	377	22,320	6,120	28,817
Postage and Printing	5,453	7,211	11,358	24,022
Staff Development	-	-	2,351	2,351
Insurance	-	10,909	-	10,909
Donated Event Expenses	-	-	67,738	67,738
Donated Services	4,221	24,485	36,643	65,349
Merchandise Expenses	-	1,775	-	1,775
Supplies, Subscriptions and Reference Materials	775	7,814	75	8,664
Technology and Website	-	2,267	5,446	7,713
Communications	-	3,407	4,175	7,582
Occupancy	-	116,000	-	116,000
Travel, Meals and Lodging	47,255	20,069	84,108	151,432
Miscellaneous	642	8,208	1,372	10,222
Total Expenses Before Depreciation	<u>\$ 1,819,181</u>	<u>\$ 368,450</u>	<u>\$ 1,152,721</u>	<u>\$ 3,340,352</u>
Depreciation	<u>-</u>	<u>3,403</u>	<u>-</u>	<u>3,403</u>
TOTAL EXPENSES	<u><u>\$ 1,819,181</u></u>	<u><u>\$ 371,853</u></u>	<u><u>\$ 1,152,721</u></u>	<u><u>\$ 3,343,755</u></u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ (86,629)	\$ 938,303
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,392	3,403
Unrealized Gains on Investments	(10,242)	(112,201)
Realized Gains on Sales of Investments	(108,563)	(3,505)
(Increase) Decrease in Operating Assets:		
Unconditional Promises to Give	397,513	24,664
Prepaid Expenses	(111,239)	18,467
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(234,346)	187,481
Deferred Revenue	<u>(336,381)</u>	<u>202,381</u>
 NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	 <u>\$ (485,495)</u>	 <u>\$ 1,258,993</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases (Disposals) of Investments	\$ 48,748	\$ (1,007,955)
Purchases of Office Equipment	<u>(4,432)</u>	<u>(3,792)</u>
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	 <u>\$ 44,316</u>	 <u>\$ (1,011,747)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	 <u>\$ -</u>	 <u>\$ -</u>
 NET INCREASE (DECREASE) IN CASH	 \$ (441,179)	 \$ 247,246
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>4,134,820</u>	 <u>3,887,574</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 3,693,641</u>	 <u>\$ 4,134,820</u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Maestro Cares Foundation (the Organization) is a non-profit organization incorporated in 2011 in the State of Illinois, with its headquarters in Chicago, Illinois. The Organization's mission is to improve the quality of life of orphaned, abused and neglected children in Latin America and the United States by creating healthy and safe environments for them to live, learn and play. The Organization has also assisted local agencies to create facilities for child illnesses and care. The Organization obtains funding from the general public for their projects from special event ticket sales and sponsorships, fundraising events, and individual and corporate donations.

In keeping with its mission, the Organization initiated its first project in 2012, by funding the construction of dormitories, classrooms, kitchen, dining hall, common area, clinic and recreational facilities in a campus style environment, owned and operated by Fundacion Ninos y Ninas de Cristo (Fonicris) located in the Dominican Republic.

The Organization has extended its projects to underwrite and partner on construction of similar facilities, including an orphanage and school in Colombia, a home for boys in Puerto Rico, a sponsored school in Peru, two homes for abused, neglected, and abandoned girls in Mexico and many others in Central and South America and the Caribbean. Projects are underway in Colombia, Peru, Ecuador, and Costa Rica. The Foundation records grant awards as expenses are paid, when all contractual terms and agreements have been met.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use of that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property of equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Basis of Accounting

The financial statements of Maestro Cares Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization carries its investments in marketable securities with readily determinable fair values at their fair values in the Statement of Financial Position.

Revenues and Revenue Recognition

The Organization recognizes revenue as it satisfies a performance obligation by transferring control over a product or a service to a customer. Revenue is measured at the transaction price, which is based on the amount of consideration that the Organization expects to receive in exchange for transferring the promised good or service to the customer. Event and fundraising revenues received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions are recognized at a point in time when cash or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions until the restriction is satisfied.

Estimates

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

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

It is the Organization's policy to capitalize property and equipment purchases of more than \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations for property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Office equipment is depreciated using the straight-line method over the useful lives of the assets of five to ten years.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization files U.S. federal and Illinois state information returns. The federal and state informational tax returns for tax years 2018, 2019 and 2020 can be subject to examinations by tax authorities, generally for three years from the date of filing.

Expense Allocations

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, costs have been allocated between the Organization's program and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided additional services throughout the years that are not recognized as contributions in the financial statements, since the recognition criteria were not met.

2. CHANGES IN ACCOUNTING PRINCIPLES

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB ASC Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in ASU must be applied using one of two retrospective methods. ASU 2014-09 was effective for nonpublic entities for annual periods beginning after December 15, 2018. The Organization has evaluated the impact of the provisions of ASU 606 and believes that it has no impact on revenue or did not require a change in accounting policies and procedures.

In June 2018, the FASB issued ASB 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for a contribution (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update were effective for annual financial statements issue for fiscal years beginning after December 15, 2018, for transactions in which the entity services as the resource recipient.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in three financial institutions. Those accounts are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2020 and 2019, the Organization exceeded the insured amount.

4. INVESTMENTS

The Organization invested in the following as of December 31, 2020 and 2019:

	2020	2019
Equity Securities	\$ 342,109	\$ 644,427
Exchange Traded Products	684,617	86,559
Mutual Funds	170,273	365,344
Government Securities	468,500	499,111
	<u>\$ 1,665,499</u>	<u>\$ 1,595,441</u>

Investment income is comprised of the following for the year 2020 and 2019:

	2020	2019
Dividend and Interest Income	\$ 46,385	\$ 46,236
Unrealized Gains (Losses)	10,242	112,201
Realized Gains (Losses) on Sales	108,563	3,505
Investment Fees	(7,150)	(8,987)
Total Investment Income	<u>\$ 158,040</u>	<u>\$ 152,955</u>

5. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

	Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments:			
Equity Securities	\$ 342,109	\$ 342,109	\$ -
Exchange Traded Products	684,617	-	684,617
Mutual Funds	170,273	-	170,273
Government Securities	468,500	-	468,500
	<u>\$ 1,665,499</u>	<u>\$ 342,109</u>	<u>\$ 1,323,390</u>

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

	Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments:			
Equity Securities	\$ 644,427	\$ 644,427	\$ -
Exchange Traded Products	365,344	-	365,344
Mutual Funds	86,559	-	86,559
Government Securities	499,111	-	499,111
	<u>\$ 1,595,411</u>	<u>\$ 644,427</u>	<u>\$ 951,014</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Equity securities and equity mutual funds that trade in active markets are valued using quoted market prices and are classified as Level 1. Mutual funds, emerging traded products, corporate bonds, and government securities are valued at closing price on national exchanges if available, or by using pricing models maximizing the use of observable inputs for similar securities and are classified as Level 2.

6. CONDITIONAL PROMISES TO GIVE

Maestro Cares Foundation had future conditional promises to give of \$1,150,375 and \$788,125 as of December 31, 2020 and 2019, respectively, which are not recorded in the financial statements. The conditional promises to give relate to various memorandum of understanding commitments that have not yet been paid due to the construction progress on the particular facility.

7. DONATED SERVICES

The estimated fair value of the donated facilities and services was quantified by Cardenas Marketing Network, providing office services to the Organization. These donated services were recorded in the Statement of Activities and were valued at \$33,774 and \$65,349 for the years December 31, 2020 and 2019, respectively.

8. PAYCHECK PROTECTION PROGRAM CONTRIBUTION

The Organization accepted the Paycheck Protection Program loan in April 2020 for \$97,735. The loan was for a two year term. Interest is at 1% per year of the loan. The PPP loan has the potential to be forgiven, if all criteria of expenditures of the loan proceeds are met. The PPP loan was forgiven in full and was recorded as Contribution Revenue in the Statement of Activities.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following are the Organization's financial assets as of the balance sheet date reduced by amounts not available for general use within one year:

	<u>2020</u>	<u>2019</u>
Financial Assets at December 31:		
Cash	\$ 3,693,641	\$ 4,134,820
Investments	1,665,499	1,595,441
Unconditional Promises to Give	<u>4,615</u>	<u>402,128</u>
Total Financial Assets	<u>\$ 5,363,755</u>	<u>\$ 6,132,389</u>
Less: amount not available to be used withing on year:		
Net Assets with Donor Restrictions	<u>-</u>	<u>-</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 5,363,755</u>	<u>\$ 6,132,389</u>

Maestro Cares Foundation regularly monitors the availability of resources required to meet its operating needs and current and future project commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover the expenditures of the planned projects and administration costs. Maestro Cares Foundation maintains sufficient reserves to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Organization.

10. BUSINESS DISRUPTION

The COVID-19 outbreak in the United States in 2020 has caused economic disruption through mandated and voluntary closings of businesses, schools, and organizations. The Board of Directors and management have been actively monitoring the events and circumstances surrounding the spread of COVID-19 with their primary concern being the health and wellness of the program participants, staff and volunteers. The pandemic caused the operations to move to remote locations, as staff transitioned to virtual formats.

The March 2020 Gala was not held due to the pandemic, however the 2021 Gala is scheduled in December 2021. Concert and ticket revenues ceased in 2020 due to the closing of concert venues; some venues have reopened in 2021. The new projects in Ecuador, Costa Rica and Peru are to be completed in 2021, and new projects in Argentina and Colombia are planned for the future. The Organization has continued to assist the existing projects with additional operating funding during 2020, particularly for COVID related expenditures and virtual learning expenses.

There is uncertainty about the impact of the pandemic on the Organization. The Organization has complied with restricting physical gatherings according with each phase of Restore Illinois. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

11. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 9, 2021, the date which the financial statements were available to be issued.