

LUMIND RESEARCH DOWN SYNDROME FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

**R.A. HALL & CO., LLC
CERTIFIED PUBLIC ACCOUNTANTS**

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
LuMind Research Down Syndrome Foundation
Marlborough, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of LuMind Research Down Syndrome Foundation, a nonprofit corporation, which comprise the statements of financial position as of September 30, 2018 and 2017, 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 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 LuMind Research Down Syndrome Foundation as of September 30, 2017 and 2016, 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.

Boston, Massachusetts
May 2, 2019



LuMind Research Down Syndrome Foundation

STATEMENTS OF FINANCIAL POSITION

September 30, 2018 and 2017

	<u>ASSETS</u>		<u>LIABILITIES AND NET ASSETS</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:			CURRENT LIABILITIES:	
Cash and cash equivalents	\$ 757,845	\$ 1,061,867	Accounts payable and accrued expenses	\$ 150,862 \$ 127,760
Investments	2,651	1,138	Compensation and related taxes payable	43,203 12,493
Pledges receivable, net of allowance: 2018: \$0 2017: \$25,000	1,250,000	1,123,029	Grant awards payable	1,834,444 1,857,760
Accounts receivable	42,892	26,063	Deferred revenue	46,223 33,442
Prepaid expenses	45,087	11,646	Other current liabilities	8,822 -
Other current assets	13,104	1,344	Total current liabilities	1,883,553 2,031,444
Total current assets	2,111,379	2,225,185	NET ASSETS:	
OTHER ASSETS			Unrestricted	2,827 (46,260)
Pledges receivable, long-term, net of allowance: 2018: \$26,958 2017: \$0	973,042	-	Temporarily restricted	1,198,042 240,000
Equipment: 2018: \$9,936 and 2017: \$9,936, net of allowance: 2018: \$9,936 and 2017: \$9,936	-	-	Total net assets	1,200,868 183,740
Total other assets	973,042	-	TOTAL LIABILITIES AND NET ASSETS	\$ 3,084,421 \$ 2,225,185
TOTAL ASSETS	\$ 3,084,421	\$ 2,225,185		

See auditors' report and accompanying notes to financial statements.

LuMind Research Down Syndrome Foundation

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2018 and 2017

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUES AND SUPPORT:						
Campaign:						
Major donor	\$ 902,500	\$ 1,973,042	\$ 2,875,542	\$ 1,122,500	\$ 215,000	\$ 1,337,500
Grassroots and general contributions	282,691	-	282,691	302,444	-	302,444
Workplace giving / federated	10,444	-	10,444	58,113	-	58,113
Donated services	92,403	-	92,403	-	-	-
Total campaign	1,288,038	1,973,042	3,261,080	1,483,058	215,000	1,698,058
Special events:						
Special event revenue	509,685	-	509,685	757,629	-	757,629
Less direct expenses	(167,048)	-	(167,048)	(218,307)	-	(218,307)
Total special events, net	342,637	-	342,637	539,322	-	539,322
Other revenue:						
Investment income	601	-	601	1,241	-	1,241
Other income	240	-	240	10	-	10
Total other revenue	841	-	841	1,251	-	1,251
Reclassification of net assets:						
Net assets released from restriction	1,015,000	(1,015,000)	-	-	-	-
TOTAL REVENUES AND SUPPORT	2,646,516	958,042	3,604,558	2,023,631	215,000	2,238,631
EXPENSES:						
Program services	2,040,992	-	2,040,992	2,340,199	-	2,340,199
Support services:						
Management and general	194,998	-	194,998	163,630	-	163,630
Fundraising	361,439	-	361,439	317,970	-	317,970
TOTAL EXPENSES	2,597,429	-	2,597,429	2,821,799	-	2,821,799
CHANGE IN NET ASSETS	49,087	958,042	1,007,129	(798,168)	215,000	(583,168)
NET ASSETS, BEGINNING OF YEAR	(46,260)	240,000	193,740	751,908	25,000	776,908
NET ASSETS, END OF YEAR	\$ 2,827	\$ 1,198,042	\$ 1,200,869	\$ (46,260)	\$ 240,000	\$ 193,740

See auditors' report and accompanying notes to financial statements.

LuMind Research Down Syndrome Foundation

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended September 30, 2018 and 2017

	2018				2017	
	Supporting Services				Total	Total
	Program Services	Management and General	Fundraising	Total Supporting Services		
Distributions:						
Research Grants	\$ 1,400,500	\$ -	\$ -	\$ -	\$ 1,400,500	\$ 1,839,000
Wages, related costs and benefits:						
Wages	401,134	68,264	74,729	142,993	544,127	500,478
Payroll taxes	26,927	4,582	5,016	9,599	36,526	43,347
Employee benefits	53,107	16,269	9,894	26,163	79,269	6,312
Payroll service expense	4,456	758	830	1,589	6,045	7,231
	485,624	89,874	90,469	180,343	665,967	557,367
Services, supplies and other expenses:						
Professional fees	21,026	90,426	174,340	264,766	285,792	230,035
Marketing and communications	605	2,894	46,448	49,341	49,946	36,318
Website	-	-	-	-	-	5,653
Printing	3,949	-	7,137	7,137	11,085	4,689
Office expenses	20,257	2,087	2,286	4,372	24,629	8,085
Software and internet	4,007	682	746	1,428	5,435	6,898
Occupancy	63,328	6,589	5,515	12,105	75,433	29,871
Travel	8,690	-	16,503	16,503	25,193	50,877
Conferences, conventions and meetings	17,396	-	1,765	1,765	19,161	22,648
Insurance	5,343	909	995	1,905	7,248	4,850
Bank fees and credit card processing fees	7	795	12,093	12,889	12,896	11,659
State filing fees	4,291	287	(89)	198	4,489	8,408
Postage and shipping	5,969	455	3,231	3,687	9,656	5,422
Telephone	-	-	-	-	-	18
	154,868	105,124	270,970	376,084	530,962	425,432
TOTAL EXPENSES	\$ 2,040,992	\$ 194,998	\$ 361,439	\$ 556,437	\$ 2,697,429	\$ 2,821,799

See auditors' report and accompanying notes to financial statements.

LuMind Research Down Syndrome Foundation

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,007,128	\$ (583,168)
Adjustments to reconcile change in net assets:		
Non-cash investment contribution	-	(1,136)
Changes in operating assets and liabilities		
(increase) decrease in assets:		
Pledges receivable	(1,100,013)	(824,174)
Accounts receivable	(16,629)	6,699
Prepaid expenses	(33,441)	45,199
Other current assets	(11,760)	7,459
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	23,102	79,668
Compensation and related taxes payable	30,710	(34,711)
Grants awards payable	(223,306)	534,000
Deferred revenue	12,781	(9,014)
Other current liabilities	8,822	(9,374)
Net cash provided (used) by operating activities	<u>(302,606)</u>	<u>(788,552)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,516)	-
Net cash provided by (used for) investing activities	<u>(1,516)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(304,122)	(788,552)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,061,967	1,850,519
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 757,845	\$ 1,061,967

See auditors' report and accompanying notes to financial statements.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Organization and Nature of Activities – LuMind Research Down Syndrome Foundation (“LuMind” or the “Foundation”), is a non-profit corporation, founded on November 21, 2003 with the primary purpose to support medical research that will result in treatments to significantly improve health and independence in persons with Down Syndrome.

The Foundation receives its funding primarily from public contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting. The Foundation adheres to accounting policies generally accepted in the United States of America (“U.S. GAAP”).

Financial Statement Presentation – LuMind prepares its financial statements in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Foundation reports information regarding its financial position and statement of activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These classifications are related to the existence or absence of donor imposed restrictions as indicated below.

Unrestricted Net Assets – consists of assets and program revenues which are available and used for operations and programs. Unrestricted net assets represent the portion of net assets of the Foundation that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Foundation include funds which represent unrestricted resources designated by the Board of Directors.

Temporarily Restricted Net Assets – consists of funds with donor-imposed restrictions which permit the donor to expend the assets as specified and is satisfied either by the passage of time or by actions of the Foundation. When a stipulated time restriction ends or purpose restriction is accomplished, such temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – consists of resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Foundation to expend part or all of the income derived from the donated assets. For the years presented the Foundation did not have any assets of this nature.

Support and Revenue Recognition – LuMind follows FASB ASC 958-605 “*Accounting for Contributions Received and Contributions Made*”. FASB ASC 958-605 requires that contributions be recorded as receivables and revenues and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material.

See auditors' report.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction, until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Permanently restricted net assets include only the historical dollar amounts of gifts which are required by donors to be permanently retained, and adjusted for the impact of unrealized gains and losses. Temporarily restricted net assets include contributions with restrictions that will either expire with the passage of time or be fulfilled by actions of the Foundation.

Donated Goods and Services – Donated goods are recorded at their fair market value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. Donations of professional services are recorded as both unrestricted contributions and as expenses in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*. Donated services for the years ended September 30, 2018 and 2017 were \$92,403 and \$0, respectively.

Cash and Cash Equivalents – For the purpose of these financial statements, LuMind considers equivalent to cash, all money market funds and savings deposits which can be and are intended to be converted to cash within ninety days of issuance. Fair value approximates carrying value due to the short maturities of those instruments. The Foundation maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. The investment income is reported net of investments fees.

Pledges Receivable – Contributions are recognized and recorded at net realizable value when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give are not included in support until the conditions are substantially met. Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. As of September 30, 2018 and 2017, management determined that allowance for uncollectible pledges receivable of \$0 and \$25,000, respectively.

Equipment – Equipment is stated at cost if purchased (or at the fair market value on the date of a gift if donated) less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Foundation provides for depreciation of equipment using the straight-line method over the useful life of the asset. The Foundation capitalized equipment purchases in excess of \$1,000, lesser amounts are expensed. Repairs, maintenance and renewals are charged to expense, as incurred, except those expenditures which result in a substantial improvement are capitalized.

Deferred Revenue – Deferred revenue represents registration and related fees paid in advance of the related event.

See auditors' report.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk – Financial instruments that potentially subject the Foundation to concentration of credit risk primarily consist of cash and cash equivalents. The Foundation maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. As of September 30, 2018 and 2017, the Foundation had \$418,774 and \$321,555 in excess of the federally insured limits, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Fair Value Measurement – Investments are stated at fair value. Fair value measurements are based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels as reported in Note 3.

Advertising Expenses – The Foundation charges its non-direct response advertising costs to expense as incurred. Advertising expenses for the years ended September 30, 2018 and 2017 were \$73,406 and \$40,932, respectively.

Income Taxes – The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986.

Use of Estimates in the Preparation of the Financial Statements – The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates included in the financial statements.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable are as follows at September 30, 2018 and 2017:

	2018	2017
Due in less than one year	\$ 1,250,000	\$ 1,148,029
Due in one year to five years	1,000,000	-
	<u>2,250,000</u>	<u>1,148,029</u>
Present value discount (2018: 2.81%, 2017 0%)	(26,958)	-
Allowance for doubtful accounts	-	(25,000)
Total	<u>2,223,042</u>	<u>1,123,029</u>
Pledges receivable, current	1,250,000	1,123,029
Pledges receivable, long-term	<u>\$ 973,042</u>	<u>\$ -</u>

NOTE 4 – RESTRICTIONS ON NET ASSETS

Temporary restrictions on net assets as of September 30, 2018 and 2017 are related to contributions received designated for campaigns occurring after the year end.

Temporarily restricted net assets are available for the following purposes or periods as of September 30, 2018 and 2017:

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – RESTRICTIONS ON NET ASSETS (CONTINUED)

For subsequent periods:	2018	2017
DeNoble Family	\$ -	\$ 25,000
Roger and Dawn Kafker	125,000	125,000
Michael and Dorothea Kane	-	50,000
James and Patricia White	25,000	50,000
Molly Lawson Foundation	-	15,000
Pledge allowance – DeNoble Family	-	(25,000)
Alanna Foundation	1,000,000	-
Lundbeck Foundation	75,000	-
Present value discount	(26,958)	-
Total temp restricted net assets	\$ 1,198,042	\$ 240,000

NOTE 5 – INVESTMENTS

Fair Value of Financial Instruments – The Foundation follows FASB ASC 820, "Fair Value Measurements and Disclosures", and has applied its provisions to financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis (at least annually).

Investments held by the Foundation at September 30, 2018 and 2017 are summarized at fair value as follows:

Marketable securities:	2018	2017
Stryker Corp – common stock	<u>\$ 2,651</u>	<u>\$ 1,136</u>
Total investments	<u>\$ 2,651</u>	<u>\$ 1,136</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended September 30, 2018 and 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Year ended September 30, 2018:				
Dividends and Interest	\$ 1,265	\$ -	\$ -	\$ 1,265
Realized and unrealized gains (losses)	<u>(664)</u>	<u>-</u>	<u>-</u>	<u>(664)</u>
Total investment return	<u>\$ 601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601</u>
Year ended September 30, 2017:				
Dividends and interest	\$ 1,398	\$ -	\$ -	\$ 1,398
Realized and unrealized gains (losses)	<u>(157)</u>	<u>-</u>	<u>-</u>	<u>(157)</u>
Total investment return	<u>\$ 1,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241</u>

FASB ASC 820, "Fair Value Measurements", establishes a single definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. FASB ASC 820 describes three levels of inputs used to measure fair value. The fair value framework

See auditors' report.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – INVESTMENTS (CONTINUED)

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 one measurements), and the lowest priority to unobservable inputs (level three measurements). The three levels of the fair value hierarchy are:

Level one – 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 two – 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.

If the asset or liability has a specified or contractual term, the level two inputs must be observable for substantially the full term of the asset or liability.

Level three – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is the basis for the fair value determination of the investments:

- Mutual funds, money market funds, hedge funds: Valued at fair value based on the net asset value ("NAV") of shares held by the foundation at the end of the year.
- Assets held in trust by others: Valued at fair value based on the net asset value ("NAV") of shares held by the Foundation at the end of the year.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of September 30, 2019:

	Total	Level one Quoted prices in active markets for identical assets	Level two Significant other observable inputs	Level three Significant unobservable inputs
Assets:				
U.S. Equities	\$ 2,651	\$ 2,651	\$ -	\$ -
Total investments	\$ 2,651	\$ 2,651	\$ -	\$ -

NOTE 6 – GRANT AWARDS PAYABLE

The Foundation has grant awards payable as of September 30, 2018 and 2017 totaling \$1,634,444 and \$1,857,750, respectively. The following is a schedule of grant awards payable as of September 30, 2018:

Recipient:	
AC Immune UCSD	\$ 50,000
Emory University School of Medicine	50,000
Massachusetts Institute of Technology	165,000
Stanford University	75,000
University of Arizona	30,000
University of California, San Diego	50,000

See auditors' report.

LUMIND RESEARCH DOWN SYNDROME FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – GRANTS AWARDS PAYABLE (CONTINUED)

University of Connecticut	120,000
KOL (Key Opinion Leader) Meetings	19,944
Multiple Entities	<u>825,000</u>
Total grants and allocations	<u>\$ 1,634,444</u>

NOTE 6 – COMMITMENTS

Operating Leases – The Foundation leased office space in Marlborough, Massachusetts, as a tenant-at-will through September 1, 2018. Rent expense for the years ended September 30, 2018 and 2017 amounted to \$20,586 and \$29,871, respectively under this agreement.

Effective September 1, 2018, the Foundation leases office space in Burlington, Massachusetts under a thirty seven month lease agreement through September 30, 2021. The lease provides for no rent for the initial month, followed by monthly payments of \$3,920 through September 30, 2019, followed by monthly payments of \$4,032 through September 30, 2020, followed by monthly payments of \$4,144 through September 30, 2021. The lease also requires payment for common area maintenance and real estate taxes. Rent expense for the years ended September 30, 2018 and 2017 amounted to \$3,923 and \$0, respectively under this agreement. Prior to the effective date of the lease, the facility owner contributed office space to the Foundation from May 1, 2018 through August 31, 2018 at no charge. That contribution, valued at \$31,870, is included in donated services and in rent expense for the year ended September 30, 2018.

The amount of future minimum lease payments under the lease are as follows:

Year ending September 30:	
2019	\$ 47,040
2020	48,384
2021	<u>49,728</u>
Total	<u>\$ 145,152</u>

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 2, 2019, the date on which the financial statements were available to be issued. There were no subsequent events through May 2, 2019, that required adjustment of or disclosure in the financial statements.

See auditors' report.