



Rocky Mountain Multiple Sclerosis Center

Financial Statements with Independent
Auditor's Report
For the Years Ended June 30, 2020 and 2019

Rocky Mountain Multiple Sclerosis Center

Financial Statements with
Independent Auditor's Report
For the Years Ended June 30, 2020 and 2019

Rocky Mountain Multiple Sclerosis Center

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Independent Auditor's Report

The Board of Directors
Rocky Mountain Multiple Sclerosis Center
Westminster, Colorado

We have audited the accompanying financial statements of the Rocky Mountain Multiple Sclerosis Center (the "MS Center"), which comprise the statements of financial position as of June 30, 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 Rocky Mountain Multiple Sclerosis Center as of June 30, 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.

Emphasis of Matter

The COVID-19 outbreak in 2020 (see Note 17) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matter - Prior Period Financial Statements

The financial statements of Rocky Mountain Multiple Sclerosis Center as of and for the year ended June 30, 2019 were audited by ACM LLP, whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM LLP expressed an unmodified opinion on those statements in their report dated November 4, 2019.

BDO USA, LLP

Greeley, Colorado
October 16, 2020

Consolidated Financial Statements

Rocky Mountain Multiple Sclerosis Center

Statements of Financial Position

<i>June 30,</i>	2020	2019
ASSETS		
Cash and cash equivalents	\$ 895,959	\$ 674,123
Operating investments	779,287	553,511
Accounts receivable, net	114,253	107,969
Promises to give, net	368,667	708,667
Prepaid expenses and other assets	34,793	46,641
Property and equipment, net	1,405,240	1,444,031
Beneficial interest in assets held by Community First Foundation	404,551	405,664
Endowment investments	81,700	307,558
TOTAL ASSETS	\$ 4,084,450	\$ 4,248,164
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 154,328	\$ 130,793
Deferred revenue	48,285	45,700
Line of credit	83,613	83,613
Notes payable	299,649	49,683
TOTAL LIABILITIES	585,875	309,789
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Net assets without donor restrictions	2,464,368	2,545,940
Net assets with donor restrictions	1,034,207	1,392,435
TOTAL NET ASSETS	3,498,575	3,938,375
TOTAL LIABILITIES AND NET ASSETS	\$ 4,084,450	\$ 4,248,164

See accompanying notes to the financial statements.

Rocky Mountain Multiple Sclerosis Center

Statements of Activities

Year Ended June 30,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
SUPPORT						
Contributions	\$ 387,218	\$ 381,621	\$ 768,839	\$ 358,487	\$ 1,625,025	\$ 1,983,512
Gross special events revenue	464,660	-	464,660	544,488	-	544,488
Less direct costs of special events	(152,162)	-	(152,162)	(149,479)	-	(149,479)
Net special events revenue	312,498	-	312,498	395,009	-	395,009
Net assets released from restrictions	740,723	(740,723)	-	1,173,069	(1,173,069)	-
TOTAL SUPPORT	1,440,439	(359,102)	1,081,337	1,926,565	451,956	2,378,521
REVENUE						
KADEP	1,015,896	-	1,015,896	917,418	-	917,418
Seminars and publications	111,200	-	111,200	100,310	-	100,310
Other program and services	20,110	-	20,110	30,873	-	30,873
Net investment return	19,493	1,987	21,480	48,059	4,477	52,536
Distributions from and change in value of beneficial interests in assets held by others						
Charitable trust	-	-	-	67,530	-	67,530
Community First Foundation	15,268	(1,113)	14,155	15,169	1,915	17,084
Other income	3,006	-	3,006	-	-	-
TOTAL REVENUE	1,184,973	874	1,185,847	1,179,359	6,392	1,185,751
TOTAL SUPPORT AND REVENUE	2,625,412	(358,228)	2,267,184	3,105,924	458,348	3,564,272
EXPENSES						
PROGRAM SERVICES						
KADEP	1,178,898	-	1,178,898	1,233,686	-	1,233,686
Community care and support	288,925	-	288,925	335,387	-	335,387
Education	260,624	-	260,624	259,212	-	259,212
Research	531,434	-	531,434	589,007	-	589,007
TOTAL PROGRAM SERVICES	2,259,881	-	2,259,881	2,417,292	-	2,417,292
SUPPORTING SERVICES						
Management and general	147,924	-	147,924	164,746	-	164,746
Fundraising and development	299,179	-	299,179	295,805	-	295,805
TOTAL SUPPORTING SERVICES	447,103	-	447,103	460,551	-	460,551
TOTAL EXPENSES	2,706,984	-	2,706,984	2,877,843	-	2,877,843
CHANGE IN NET ASSETS	(81,572)	(358,228)	(439,800)	228,081	458,348	686,429
NET ASSETS, Beginning of year	2,545,940	1,392,435	3,938,375	2,317,859	934,087	3,251,946
NET ASSETS, End of year	\$ 2,464,368	\$ 1,034,207	\$ 3,498,575	\$ 2,545,940	\$ 1,392,435	\$ 3,938,375

See accompanying notes to the financial statements.

Rocky Mountain Multiple Sclerosis Center

Statement of Functional Expenses For the Year Ended June 30, 2020

Year Ended June 30, 2020	Program Services				Total program services	Supporting Services		Total Supporting Services	Special events direct costs	Total
	KADEP	Community care and support	Education	Research		Management and general	Fundraising and development			
Salaries, taxes and benefits	\$ 876,200	\$ 109,658	\$ 160,687	\$ 78,233	\$ 1,224,778	\$ 72,420	\$ 198,932	\$ 271,352	\$ -	\$ 1,496,130
Professional services										
Medical director	-	112,363	30,750	62,475	205,588	-	-	-	-	205,588
Donated professional services	3,905	-	-	-	3,905	4,075	2,500	6,575	-	10,480
Other	11,678	4,984	5,134	4,831	26,627	38,788	14,895	53,683	-	80,310
Program grants	-	14,970	-	376,070	391,040	-	-	-	-	391,040
Participant activities, travel and meals	93,698	1,838	-	-	95,536	-	-	-	-	95,536
Seminars	-	-	11,176	-	11,176	-	-	-	-	11,176
Hydrotherapy	-	31,313	-	-	31,313	-	-	-	-	31,313
Supplies	5,844	288	74	-	6,206	1,195	88	1,283	-	7,489
Telecommunications	20,319	1,460	1,589	1,266	24,634	447	7,201	7,648	-	32,282
Postage and delivery	1,365	48	11,077	-	12,490	4,526	3,515	8,041	-	20,531
Occupancy	53,034	3,301	1,695	1,658	59,688	2,243	2,243	4,486	-	64,174
Repairs and maintenance	8,743	106	54	52	8,955	79	71	150	-	9,105
Printing and publications	5,653	1,012	24,170	677	31,512	8,788	13,521	22,309	-	53,821
Conferences, conventions and meetings	5,211	1,000	2,926	582	9,719	2,790	3,318	6,108	-	15,827
Insurance	28,342	2,081	1,332	1,041	32,796	1,387	1,666	3,053	-	35,849
Donated materials and supplies	3,597	-	-	-	3,597	-	-	-	-	3,597
Program marketing	42	-	575	2,215	2,832	-	-	-	-	2,832
Staff development, certifications, and memberships	2,430	200	239	200	3,069	740	3,589	4,329	-	7,398
Event publicity, donated	-	-	-	-	-	-	40,700	40,700	-	40,700
Special events direct costs	-	-	-	-	-	-	-	-	110,897	110,897
Special events direct costs, donated	-	-	-	-	-	-	-	-	41,265	41,265
Banking and credit card fees	112	11	35	-	158	867	2,430	3,297	-	3,455
Taxes and licenses	1,538	72	6,084	-	7,694	162	88	250	-	7,944
Investment management fees	-	-	-	-	-	6,588	-	6,588	-	6,588
Interest	1,461	110	55	55	1,681	4,326	73	4,399	-	6,080
Volunteer and donor recognition	1,738	96	120	72	2,026	1,377	1,430	2,807	-	4,833
Other miscellaneous expenses	413	-	845	-	1,258	1,038	243	1,281	-	2,539
Expenses before depreciation	1,125,323	284,911	258,617	529,427	2,198,278	151,836	296,503	448,339	152,162	2,798,779
Depreciation	53,575	4,014	2,007	2,007	61,603	2,676	2,676	5,352	-	66,955
Total Expenses	1,178,898	288,925	260,624	531,434	2,259,881	154,512	299,179	453,691	152,162	2,865,734
Less expenses included netted against revenue										
Special events - direct costs	-	-	-	-	-	-	-	-	(152,162)	(152,162)
Investment management fees	-	-	-	-	-	(6,588)	-	(6,588)	-	(6,588)
Total expenses reported on the statement of activities	\$ 1,178,898	\$ 288,925	\$ 260,624	\$ 531,434	\$ 2,259,881	\$ 147,924	\$ 299,179	\$ 447,103	\$ -	\$ 2,706,984

See accompanying notes to the financial statements.

Rocky Mountain Multiple Sclerosis Center

Statement of Functional Expenses For the Year Ended June 30, 2019

Year Ended June 30, 2019	Program Services				Total program services	Supporting Services		Total Supporting Services	Special events direct costs	Total
	KADEP	Community care and support	Education	Research		Management and general	Fundraising and development			
Salaries, taxes and benefits	\$ 827,587	\$ 108,373	\$ 154,398	\$ 75,729	\$ 1,166,087	\$ 77,937	\$ 189,817	\$ 267,754	\$ -	\$ 1,433,841
Professional services										
Medical director	-	112,800	30,750	63,450	207,000	-	-	-	-	207,000
Donated professional services	9,253	2,642	739	-	12,634	12,192	2,734	14,926	-	27,560
Other	15,594	6,155	7,284	4,668	33,701	35,793	16,967	52,760	-	86,461
Program grants	-	60,000	-	430,125	490,125	-	-	-	-	490,125
Participant activities, travel and meals	136,415	-	11	-	136,426	-	-	-	-	136,426
Seminars	-	-	11,392	-	11,392	-	-	-	-	11,392
Hydrotherapy	-	31,389	-	-	31,389	-	-	-	-	31,389
Supplies	9,972	-	186	-	10,158	3,673	61	3,734	-	13,892
Telecommunications	27,624	1,428	1,772	1,238	32,062	765	8,133	8,898	-	40,960
Postage and delivery	1,595	61	9,761	-	11,417	4,779	3,900	8,679	-	20,096
Occupancy	61,169	3,830	1,960	1,922	68,881	2,595	2,595	5,190	-	74,071
Repairs and maintenance	7,465	103	51	51	7,670	123	69	192	-	7,862
Printing and publications	5,964	967	24,492	674	32,097	7,781	14,432	22,213	-	54,310
Conferences, conventions and meetings	4,739	919	6,095	783	12,536	4,906	7,989	12,895	-	25,431
Insurance	27,425	2,009	1,296	1,005	31,735	1,340	1,619	2,959	-	34,694
Donated materials and supplies	36,559	-	-	-	36,559	-	-	-	-	36,559
Program marketing	-	-	452	6,315	6,767	-	-	-	-	6,767
Staff development, certifications, and memberships	2,145	325	825	200	3,495	803	2,184	2,987	-	6,482
Event publicity, donated	-	-	-	-	-	-	38,340	38,340	-	38,340
Special events direct costs	-	-	-	-	-	-	-	-	116,897	116,897
Special events direct costs, donated	-	-	-	-	-	-	-	-	32,582	32,582
Banking and credit card fees	851	7	13	130	1,001	695	1,842	2,537	-	3,538
Investment management fees	-	-	-	-	-	6,518	-	6,518	-	6,518
Interest	2,751	151	75	75	3,052	5,725	100	5,825	-	8,877
Volunteer and donor recognition	539	-	-	-	539	1,481	2,240	3,721	-	4,260
Other miscellaneous expenses	1,329	134	5,613	595	7,671	1,428	53	1,481	-	9,152
Expenses before depreciation	1,178,976	331,293	257,165	586,960	2,354,394	168,534	293,075	461,609	149,479	2,965,482
Depreciation	54,710	4,094	2,047	2,047	62,898	2,730	2,730	5,460	-	68,358
Total Expenses	1,233,686	335,387	259,212	589,007	2,417,292	171,264	295,805	467,069	149,479	3,033,840
Less expenses included netted against revenue										
Special events - direct costs	-	-	-	-	-	-	-	-	(149,479)	(149,479)
Investment management fees	-	-	-	-	-	(6,518)	-	(6,518)	-	(6,518)
Total expenses reported on the statement of activities	\$ 1,233,686	\$ 335,387	\$ 259,212	\$ 589,007	\$ 2,417,292	\$ 164,746	\$ 295,805	\$ 460,551	\$ -	\$ 2,877,843

See accompanying notes to the financial statements.

Rocky Mountain Multiple Sclerosis Center

Statements of Cash Flows

<i>June 30,</i>	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (439,800)	\$ 686,429
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	66,955	68,358
Change in provision for bad debt	(3,299)	5,782
Donated fixed assets	-	(1,200)
Change in value of beneficial interest in charitable trust held by others	-	182,470
Change in value of beneficial interest in assets held by Community First Foundation	1,113	(1,915)
Net loss on operating investments	(11,466)	(35,516)
Endowment net investment return	(10,014)	(17,020)
Donated securities	(5,116)	-
Changes in operating assets and liabilities		
Accounts receivable, net	(2,985)	5,761
Promises to give, net	340,000	(579,667)
Prepaid expenses and other assets	11,848	(16,770)
Accounts payable and accrued expenses	23,535	(16,365)
Deferred revenue	2,585	(55,700)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(26,644)	224,647
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of operating investments	26,678	36,022
Purchases of property and equipment	(28,164)	(8,243)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,486)	27,779
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan agreement	266,300	-
Repayments under line of credit	-	(5,000)
Payments of principal on notes payable	(16,334)	(37,380)
NET CASH FLOWS FROM FINANCING ACTIVITIES	249,966	(42,380)
NET CHANGE IN CASH AND CASH EQUIVALENTS	221,836	210,046
CASH AND CASH EQUIVALENTS, Beginning of year	674,123	464,077
CASH AND CASH EQUIVALENTS, End of year	\$ 895,959	\$ 674,123
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Investments released from quasi-endowment	\$ 235,872	\$ -
Cash paid for interest	\$ 6,080	\$ 8,877

See accompanying notes to the financial statements.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

1. Principal Activity and Significant Accounting Policies

Organization

Rocky Mountain Multiple Sclerosis Center, Inc. (the MS Center) was founded in 1978 as one of the nation's first comprehensive centers dedicated to the study and treatment of multiple sclerosis. The MS Center's mission is to improve the lives of people living with multiple sclerosis (MS), and their families, by providing care, support, education and research. The MS Center accomplishes its mission through a variety of programs, activities, collaborations and outreach.

Program Descriptions

KADEP - The King Adult Day Enrichment Program (KADEP) serves younger adults who have moderate to severe disability caused by neurological illnesses or trauma. KADEP is designed to enhance wellness, maintain or improve functional status, and provide opportunities for socialization, personal development and enjoyment.

Community Care and Support

MS Specialty Care: Through its affiliation with the Rocky Mountain MS Center at the University of Colorado, the University of Colorado - Anschutz Medical Campus and the University of Colorado Hospital Authority have joined together to form an "MS Center of Excellence," which serves the Rocky Mountain region through patient care, education, support and cutting-edge research. State-of-the-art medical care is provided by MS fellowship-trained neurologists, and includes a pediatric program that specializes in treating children and teens with MS. The MS Center also has affiliated MS-specialty clinics at the Denver Veteran's Administration Hospital and Denver Health Medical Center.

MS Specialty-Care Programs: The MS Center is affiliated with specialty-care programs that are designed to help MS patients manage specific issues related to multiple sclerosis. The MS Disability Assessment Clinic helps individuals navigate the challenging process of applying for Social Security Disability Insurance. The MS Center also offers MS Hydrotherapy and online exercise sessions, which provide maintenance rehabilitation to individuals living with MS.

The MS Center provides counseling and support services for people with MS and their families. Through individual and family counseling sessions, as well as seminars, the MS Center offers a range of resources to address individual needs. Every month, MS 101 classes are offered to newly diagnosed patients and their families. The MS Center is also home to our MS Young Professionals Network which provides volunteering, socializing, and leadership opportunities to individuals who have a connection to multiple sclerosis. The MSYPN launched a mentorship pilot program to provide support and comradery to pediatric MS patients.

The MS Center launched a wellness pilot program in partnership with the University of Colorado. This pilot program not only promotes lifelong wellness in all aspects of patients' health (nutrition, exercise, and emotional wellbeing), but also provides a clinical setting for measurement and reporting of medical outcomes related to wellness. The MS Center will continue to develop and evaluate the pilot over the next 2 to 3 years to determine long-term feasibility and effectiveness.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

Education - The MS Center conducts a variety of programs to educate those with multiple sclerosis, their families, the general public, and professionals providing services and care for individuals with MS. The MS Center conducts a variety of public seminars and maintains an interactive website at www.mscenter.org. Additional educational resources include pamphlets, written materials and videos. The MS Center publishes a quarterly magazine, "InforMS," which is available in both print and electronic versions, and distributes an electronic newsletter, "eMS News," which features research information, opportunities to participate in MS clinical research, and information on upcoming events.

Research - The MS Center sponsors basic science and translational research, which includes a variety of clinical trials. The physicians and scientists play a critical role in the development of current and emerging MS therapies, as well as studies to determine the biological basis of the disease.

Research priorities for the next five years are the identification of highly effective and safe therapies to maximize lifelong brain health and to meet each patient's needs, and development of an in-depth profile for MS to include genes, biomarkers, or environmental circumstances that are associated with earliest manifestations of MS. These efforts will help determine causes of MS and aid in the earliest potential intervention to either avoid or treat MS.

The MS Center also administers one of the world's largest fresh-brain tissue banks. The tissue is retrieved, stored and provided to MS researchers from around the world.

Cash and Cash Equivalents

The MS Center considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for endowment or held for long-term purposes of the MS Center are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist of noninterest-bearing amounts due from KADEP clients, as well as amounts due for advertising, contract services, and bequests. Management determines the allowance for uncollectable accounts based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2020 and 2019, the allowance was approximately \$12,000 and \$16,000, respectively.

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2020 and 2019, management determined no allowance was necessary.

Beneficial Interest in Charitable Trust Held by Others

The MS Center was named as an irrevocable beneficiary of a charitable remainder trust held and administered by an independent trustee. This trust was created independently by a donor and is administered by an outside agent designated by the donor. Therefore, the MS Center has neither possession nor control over the assets of the trust. At the date the MS Center receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statement of activities, and a beneficial interest in charitable trust held by others is recorded in the statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interest in the trust is reported at fair value in the statement of financial position, with changes in fair value recognized in the statement of activities. During the year ended June 30, 2019, the MS Center received a distribution of \$250,000, dissolving the beneficial interest due to the MS Center.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The MS Center reviews carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2020 or 2019.

Beneficial Interest in Assets Held by Community First Foundation

During 2004, the MS Center established an endowment fund (the Fund) under Community First Foundation's (CFF) Non-profit Preservation Endowment Challenge Grant program and named itself beneficiary. The MS Center granted variance power to CFF which allows CFF to modify any condition

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of CFF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by CFF for the benefit of the MS Center, and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations. Board-designated net assets consist of net assets designated by the Board of Directors for endowment.

Net assets with donor restrictions - Net assets subject to donor restrictions that may or will be met by expenditures or actions of the MS Center and/or the passage of time, and certain income earned on net assets held in perpetuity that has not yet been appropriated for expenditure by the MS Center's Board of Directors.

The MS Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the MS Center are net assets to be maintained in perpetuity and included in net assets with donor restrictions. The restrictions stipulate that resources be maintained in perpetuity but permit the MS Center to expend the income generated in accordance with the provisions of the agreements. Net assets to be maintained in perpetuity also include the MS Center's beneficial interest in assets held by Community First Foundation.

Revenue and Revenue Recognition

Revenue is recognized when earned. Special events revenue received in advance is deferred to the applicable period in which the event takes place. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

KADEP and Other Service Revenue

The MS Center has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per service unit provided, reimbursed costs, discounted charges, and per-diem payments. KADEP and other service revenue is reported at the estimated net realizable amounts from participants, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The MS Center provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the MS Center does not pursue collection of these amounts, they are not reported as client service revenue. The estimated cost of providing these services was approximately \$29,000 and \$42,000, for the years ended June 30, 2020 and 2019, respectively.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the MS Center's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America ("GAAP"). Contributed goods are recorded at fair value at the date of donation. The MS Center records donated professional services and materials at the respective fair values of the services and materials received (Note 13).

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributable to one or more programs or supporting functions. Those expenses include but are not limited to salaries, payroll taxes, benefits, professional services, telecommunications, printing and publications, and insurance. These expenses are allocated to program, general and administrative, and fundraising functions based on their utility of time and cost to each class. Other allocated costs include depreciation, occupancy, interest, insurance, and repairs and maintenance, which are allocated based on square footage.

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Income Taxes

The MS Center is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The MS Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the MS Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes and files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income. The MS Center had an insignificant amount of unrelated business income and has not accrued a provision for income tax expense at June 30, 2020 or 2019.

The MS Center believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The MS Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The MS Center's Forms 990, 990-T and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to examination for years before 2016.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The MS Center manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from government agencies, as well as, individuals and foundations supportive of the MS Center's mission. Investments are made by management and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the MS Center. Total cash and cash equivalents held by banks with balances in excess of federally insured limits was approximately \$659,000 and \$411,000 at June 30, 2020 and 2019, respectively. The MS Center has not experienced any losses as a result of these concentrations.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

Subsequent Events

The MS Center has evaluated subsequent events through October 16, 2020, the date the financial statements were available to be issued. There were no events requiring adjustment or disclosure except as described in Note 19.

Recently Adopted Accounting Pronouncements

In June of 2018, the FASB issued ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The new guidance aids in the classification of contributions and exchange transactions. Management has adopted ASU 2018-08 as of July 1, 2019, and the ASU has been applied retrospectively to all periods presented and the adoption of this standard did not have a material impact on our financial statements.

Recently Issued Accounting Pronouncements

In May of 2014, the FASB issued ASU 2014-09, Topic 606, *Revenue from Contracts with Customers*. ASU 2014-09 for nonpublic entities should be applied for entities with an annual reporting period beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In February of 2016, the FASB issued ASU 2016-02, Topic 842, *Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2020 and interim periods with fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adoption of this standard on its financial statements.

2. Availability of Resources and Liquidity

The following represents the MS Center's financial assets:

<i>June 30,</i>	2020	2019
Cash and cash equivalents	\$ 895,959	\$ 674,123
Operating investments	779,287	553,511
Accounts receivable, net	114,253	107,969
Promises to give, due within one year	340,667	340,333
Less purpose restricted donations	(512,956)	(865,058)
Total financial assets available for use for general expenditures over the next year	\$ 1,617,210	\$ 810,878

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

The MS Center's goal is generally to structure and maintain its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Total financial assets available as of June 30, 2020 approximate six months' expenses. Additionally, as further described in Note 17, the COVID-19 outbreak adds uncertainty as to the impact on the MS Center's future funding.

3. Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets that the MS Center can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset. In these situations, the MS Center develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the MS Center's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of the MS Center's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. Corporate bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2. The fair value of the beneficial interest in charitable trust held by others is based on the fair value of trust investments as reported by the Trustee using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets; the fair value of the MS Center's beneficial interest in assets held by Community First Foundation is based on the fair value of fund investments as reported by Community First Foundation. These are considered to be Level 3 measurements.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

The following tables present assets measured at fair value on a recurring basis, except those measured at cost as identified below:

<i>June 30, 2020</i>	Level 1	Level 2	Level 3	Total
Operating investments				
Cash equivalents (at cost)	\$ 37,656	\$ -	\$ -	\$ 37,656
Domestic corporate bonds	-	38,230	-	38,230
International corporate bonds	-	23,525	-	23,525
Mutual funds				
International equity	159,592	-	-	159,592
Domestic index	520,284	-	-	520,284
Total operating investments	717,532	61,755	-	779,287
Endowment investments				
Cash equivalents (at cost)	3,948	-	-	3,948
Domestic corporate bonds	-	4,008	-	4,008
International corporate bonds	-	2,466	-	2,466
Mutual funds				
International equity	16,732	-	-	16,732
Domestic index	54,546	-	-	54,546
Total endowment investments	\$ 75,226	\$ 6,474	\$ -	\$ 81,700
Assets held by Community				
First Foundation	\$ -	\$ -	\$ 404,551	\$ 404,551

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

<i>June 30, 2019</i>	Level 1	Level 2	Level 3	Total
Operating investments				
Cash equivalents (at cost)	\$ 22,262	\$ -	\$ -	\$ 22,262
Domestic corporate bonds	-	26,415	-	26,415
International corporate bonds	-	16,587	-	16,587
Mutual funds				
International equity	116,519	-	-	116,519
Domestic index	371,728	-	-	371,728
Total operating investments	510,509	43,002	-	553,511
Endowment investments				
Cash equivalents (at cost)	12,369	-	-	12,369
Domestic corporate bonds	-	14,678	-	14,678
International corporate bonds	-	9,217	-	9,217
Mutual funds				
International equity	64,744	-	-	64,744
Domestic index	206,550	-	-	206,550
Total endowment investments	\$ 283,663	\$ 23,895	\$ -	\$ 307,558
Assets held by Community				
First Foundation	\$ -	\$ -	\$ 405,664	\$ 405,664

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Charitable trust held by others	Assets held by Community First Foundation
Balance as of July 1, 2018	\$ 182,470	\$ 403,749
Distributions	(250,000)	(15,169)
Interest and dividends	-	9,575
Investment fees	-	(3,963)
Net realized and unrealized gain	67,530	11,472
Balance as of July 1, 2019	\$ -	\$ 405,664
Distributions	-	(15,268)
Interest and dividends	-	8,995
Investment fees	-	(3,996)
Net realized and unrealized gain	-	9,156
Balance as of June 30, 2020	\$ -	\$ 404,551
Unrealized gain included in change in beneficial interests in the statement of activities at June 30, 2020	\$ -	\$ 19,552
Unrealized gain included in change in beneficial interests in the statement of activities at June 30, 2019	\$ -	\$ 14,480

4. Net Investment Return

Net investment return consists of the following:

<i>June 30,</i>	2020	2019
Operating investments		
Interest and dividends	\$ 15,763	\$ 17,155
Net realized and unrealized gain (loss)	901	22,655
Less investment management fees	(5,198)	(4,294)
Total operating investment income	11,466	35,516
Endowment investments		
Interest and dividends	3,362	6,814
Net realized and unrealized gain	8,041	12,429
Less investment management fees	(1,389)	(2,223)
Total endowment investment income	10,014	17,020
Total investment income	\$ 21,480	\$ 52,536

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

5. Promises to Give

At June 30, 2020 and 2019, unconditional promises to give totaled \$368,667 and \$708,667 respectively and were due as follows:

<i>June 30,</i>	2020	2019
Due within one year	\$ 340,667	\$ 340,333
Due within one to five years	23,000	358,334
Thereafter	5,000	10,000
Total promises to give	\$ 368,667	\$ 708,667

6. Property and Equipment

Property and equipment consisted of the following:

<i>June 30,</i>	2020	2019
Land	\$ 686,016	\$ 686,016
Building and improvements	1,104,260	1,104,260
Furniture and equipment	231,973	203,811
Total property and equipment	2,022,249	1,994,087
Less accumulated depreciation	(617,009)	(550,056)
Total property and equipment, net	\$ 1,405,240	\$ 1,444,031

7. Line of Credit

The MS Center has a \$200,000 revolving line of credit with a bank, secured by property. Borrowings under the agreement bear interest at the Wall Street Journal prime rate plus 1%, or a floor rate of 5.50% (6.50% at June 30, 2020). Accrued interest and principal are due at maturity on May 6, 2020. At June 30, 2020 and 2019, the balance of the line of credit was \$83,613. The line of credit was subsequently refinanced as discussed in Note 19.

8. Notes Payable

Note Payable

In May 2015, the MS Center entered into a note payable in the amount of \$109,607, secured by certain real estate, with an interest rate of 4.25% and monthly payments of principal and interest of \$1,513 through the maturity date of May 2022. The note payable balance at June 30, 2020 and 2019 was \$33,349 and \$49,683, respectively. The note payable was subsequently refinanced as discussed in Note 19.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

Payment Protection Program Loan

As a result of the economic stimulus efforts by the U.S. Government related to the COVID-19 outbreak (see Note 17), the Organization received funding for a Paycheck Protection Program loan through the Small Business Administration totaling \$266,300. This loan may be forgiven if loan funds are used for approved expenses and the Organization maintains its workforce; however, the benefit to the Organization at the date these financial statements were available to be issued is unknown.

Future maturities of the notes payable and payment protections program loan are as follows for the years ending June 30:

2021	\$ 283,356
2022	16,293
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Total future minimum notes payable	\$ 299,649

9. Operating Leases

The MS Center leases office equipment under two non-cancelable operating leases with monthly payments of \$596 and \$93 each expiring in 2021 and 2023, respectively. Rent expense amounted to \$8,263 and \$9,498 for the year ended June 30, 2020 and 2019, respectively. Future minimum lease payments required under the agreement are as follows for the year ended June 30:

2021	\$ 7,072
2022	1,116
2023	837
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Total minimum lease payments	\$ 9,025

10. Endowment

The MS Center's endowment (the Endowment) consists of five individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions designated for endowment by the Board of Directors, designated net assets which the board approved to be fully released during the year ended June 30, 2020 to unrestricted net assets. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The MS Center's Board of Directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At June 30, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, the MS Center classifies as net assets with donor restrictions required to be maintained in perpetuity: (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts to the Endowment, and (c) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund is classified as net assets

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with donor restrictions to be maintained in perpetuity until those amounts are appropriated for expenditure by the MS Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

The MS Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the organization;
- The investment policies of the organization.

Endowment net asset composition by type were as follows:

<i>June 30, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds			
Original donor-restricted gift amount required to be maintained in perpetuity	\$ -	\$ 59,282	\$ 59,282
Accumulated investment earnings not yet appropriated for spending	-	22,418	22,418
Total endowment net assets	\$ -	\$ 81,700	\$ 81,700

<i>June 30, 2019</i>	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 227,845	\$ -	\$ 227,845
Donor restricted endowment funds			
Original donor-restricted gift amount required to be maintained in perpetuity	-	59,282	59,282
Accumulated investment earnings not yet appropriated for spending	-	20,431	20,431
Total endowment net assets	\$ 227,845	\$ 79,713	\$ 307,558

Investment and Spending Policies

The MS Center has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to preserve the original fair values of the original gifts made to the endowment. The MS Center expects the endowment, over time, to provide a rate of return sufficient to preserve the original fair values

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of its endowment assets while providing an opportunity for real growth. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the MS Center relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The MS Center targets a diversified asset allocation that places a greater emphasis on corporate bonds and equity mutual funds to achieve its long-term return objectives within prudent risk constraints.

The MS Center has a policy of appropriating for distribution each year, so much of the endowment as is necessary to fund discretionary expenses as determined by the Board of Directors. In establishing this policy, the MS Center considered the long-term expected return on its endowment. Accordingly, over the long term, the MS Center expects the current spending policy to preserve the net assets with donor restrictions to be maintained in perpetuity of the endowment. This is consistent with the MS Center's objective to preserve the original fair values of the original gifts made to the Endowment as well as to provide an opportunity for real growth through new gifts and undistributed investment return. With the exception of the release of board designated net assets (see Note 12), no distributions were made during the years ended June 30, 2020 and 2019.

Changes in endowment net assets for the years ended June 30 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2018	\$ 215,309	\$ 75,229	\$ 290,538
Net investment return	12,536	4,484	17,020
Endowment net assets at June 30, 2019	\$ 227,845	\$ 79,713	\$ 307,558
Net investment return	8,027	1,987	10,014
Distributions	(235,872)	-	(235,872)
Endowment net assets at June 30, 2020	\$ -	\$ 81,700	\$ 81,700

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Notes to Financial Statements

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

<i>June 30,</i>	2020	2019
Expiration of time restrictions		
Promises to give	\$ 35,000	\$ 42,000
Purpose restricted by donors		
Research	438,477	765,757
Wellness program	8,086	23,076
Hydrotherapy	8,412	-
Mentorship	10,030	-
Education seminars	38,000	45,000
Equipment	9,951	31,225
Subject to MS Center's spending policy and appropriation		
Donor restricted endowment	81,700	79,713
Trust funds held in perpetuity		
Beneficial interest in assets held by CFF	404,551	405,664
Total net assets with donor restrictions	\$ 1,034,207	\$ 1,392,435

Net assets released from restrictions were as follows:

<i>June 30,</i>	2020	2019
Education and support programs	\$ 172,122	\$ 251,924
KADEP program	99,834	145,425
Research and program grants	401,355	580,550
Wellness program	14,990	-
Hydrotherapy program	8,323	-
Mentorship program	14,970	-
Promises to give	7,000	7,000
Beneficial interest in charitable trust held by others	-	182,470
Equipment and garden	22,129	5,700
Total net assets released from restrictions	\$ 740,723	\$ 1,173,069

12. Net Assets without donor restrictions

Board-Designated

At June 30, 2019, net assets without donor restrictions include funds of \$227,845, designated by the board for quasi-endowment, the income from which is to be used for general operating purposes. In December of 2019, the Board voted to remove the quasi-endowment designation of such funds and as of June 30, 2020, there were no board designated funds.

Rocky Mountain Multiple Sclerosis Center

Notes to Financial Statements

13. Donated Services and Materials

The MS Center received donated services and materials as follows:

<i>June 30, 2020</i>	Program Services	Manage-ment and General	Fundrais- ing	Special Events	Totals
Professional services	\$ 3,905	\$ 6,575	\$ -	\$ -	\$ 10,480
Equipment and supplies	3,597	-	-	41,265	44,862
Publicity	-	-	40,700	-	40,700
Total donated services and materials	\$ 7,502	\$ 6,575	\$ 40,700	\$ 41,265	\$ 96,042

<i>June 30, 2019</i>	Program Services	Management and General	Fundrais- ing	Special Events	Totals
Professional services	\$ 12,634	\$ 12,192	\$ 2,734	\$ -	\$ 27,560
Equipment and supplies	36,559	-	-	32,582	69,141
Publicity	-	-	38,340	-	38,340
Total donated services and materials	\$ 49,193	\$ 12,192	\$ 41,074	\$ 32,582	\$ 135,041

14. Joint Costs of Activities that Include a Fundraising Appeal

The MS Center produces a quarterly newsletter that includes programmatic and administrative information, together with a request for contributions in support of the MS Center's mission. During the year ended June 30, 2020 and 2019, the costs of producing the newsletter included joint costs not directly attributable to any single function. Those costs were allocated among the following functional expense categories:

<i>June 30</i>	2020	2019
Education program	\$ 21,232	\$ 22,373
Management and general	11,189	9,382
Fundraising and development	2,819	2,887
Total joint costs of activities that include a joint appeal	\$ 35,240	\$ 34,642

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15. Retirement Plan

The MS Center sponsors a Savings Incentive Match Plan (the Plan) qualified under section 408(p) of the Internal Revenue Code covering substantially all employees. Under the Plan, the MS Center matches employee voluntary salary deferrals up to 3% of each employee's gross compensation. During the year ended June 30, 2020 and 2019, the MS Center contributed approximately \$36,000 and \$35,000, respectively to the Plan.

16. Commitments

Rocky Mountain MS Center at the University of Colorado

The MS Center partners with the University of Colorado - Anschutz Medical Campus and the University of Colorado Hospital Authority to operate the Rocky Mountain MS Center at the University of Colorado. The agreement expires July 31, 2021. The MS Center is required to pay the University of Colorado Denver for services of the Medical Director and other physicians. Payments expected to be made under the contract in future periods are \$153,750.

17. Risks and Uncertainties

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization ("WHO"), has caused business disruption in a variety of industries, markets and geographic regions. As a result of the spread of the COVID-19, public events and MS Center's activities have been limited and economic uncertainties have risen which could have a negative financial impact on donations and program service revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the MS Center's customer base or cancellations will be affected is also uncertain. Therefore, while we expect this matter to negatively impact the MS Center's business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

18. Significant Concentrations

GAAP requires disclosures of information about current vulnerabilities due to certain concentrations. These matters include the following:

Revenue Concentrations

During the year ended June 30, 2020 and 2019, Medicaid payments represented approximate 36% and 19% of revenue, respectively.

During the year ended June 30, 2019, there was a single individual donor that approximate 27% of the MS Center's revenues. There were no donor concentrations noted during the year ended June 30, 2020.

Pledge and Receivable Concentrations

For the year ended June 30, 2020, there were two individual donors that represented 91% of the MS Center's pledges. Medicaid payments represented 46% of accounts receivable.

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For the year ended June 30, 2019, there was one individual donor that represented 94% of the MS Center's pledges. Medicaid payments represented 29% of accounts receivable.

Vendor Concentrations

For the years ended June 30, 2020 and 2019, there was one vendor that represented over 10% of the MS Center's disbursements.

19. Subsequent Events

On July 27, 2020, the line of credit and note payable discussed in Notes 7 and 8 were refinanced into a single installment loan of \$122,805. The loan has an interest rate of 3.90% and matures on August 1, 2027.

Additionally, on July 27, 2020, the MS Center renegotiated and signed a line of credit for \$375,000 with a maturity of July 27, 2023 and an interest rate calculated at the wall street journal prime plus .75% (See Note 7).