MFA COMPANIES

COLLEGE DIABETES NETWORK, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

To the Board of Directors
College Diabetes Network, Inc.
Boston, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of College Diabetes Network, Inc. (the 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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 College Diabetes Network, Inc. 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.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
April 14, 2021

December 31		2020		2019
Assets				
Current Assets:				
Cash	$	**1,474,410**	$	1,332,596
Contributions Receivable, Net of Allowance for Doubtful Accounts of $2,500 and $7,500, Respectively		**145,044**		50,000
Prepaid Expenses		**6,571**		6,987
Security Deposits		**275**		3,611
Total Current Assets		**1,626,300**		1,393,194
Contributions Receivable, Net of Current Portion		**90,000**		-
Definite-Lived Intangible Assets, Net of Accumulated Amortization		**43,920**		54,838
Trademarks		**8,047**		8,047
Total Assets	**$**	**1,768,267**	$	1,456,079
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	**$**	**16,209**	$	8,311
Accrued Expenses		**18,447**		62,488
Total Current Liabilities		**34,656**		70,799
Long-Term Debt – Paycheck Protection Program		**150,500**		-
Total Liabilities		**185,156**		70,799
Net Assets:				
Net Assets without Donor Restrictions		**911,087**		751,530
Net Assets with Donor Restrictions		**672,024**		633,750
Total Net Assets		**1,583,111**		1,385,280
Total Liabilities and Net Assets	**$**	**1,768,267**	$	1,456,079

The accompanying notes are an integral part of these financial statements.

For the Years Ended December 31			**2020**			2019
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	**$ 75,621**	**$ 1,242,500**	**$ 1,318,121**	$ 191,654	$ 1,081,300	$ 1,272,954
Donated Goods and Services	**9,181**	**-**	**9,181**	102,722	-	102,722
Contract Revenue	**6,145**	**-**	**6,145**	-	-	-
Interest Income	**3,363**	**-**	**3,363**	7,881	-	7,881
Net Assets Released from Restriction	**1,204,226**	**(1,204,226)**	**-**	1,017,425	(1,017,425)	-
Total Revenue and Other Support	**1,298,536**	**38,274**	**1,336,810**	1,319,682	63,875	1,383,557
Operating Expenses:						
Program Services	**823,739**	**-**	**823,739**	818,226	-	818,226
General and Administrative	**140,888**	**-**	**140,888**	198,857	-	198,857
Fundraising	**174,352**	**-**	**174,352**	308,364	-	308,364
Total Operating Expenses	**1,138,979**	**-**	**1,138,979**	1,325,447	-	1,325,447
Increase (Decrease) in Net Assets from Operations	**159,557**	**38,274**	**197,831**	(5,765)	63,875	58,110
Net Assets, Beginning of Year	**751,530**	**633,750**	**1,385,280**	757,295	569,875	1,327,170
Net Assets, End of Year	**$ 911,087**	**$ 672,024**	**$ 1,583,111**	$ 751,530	$ 633,750	$ 1,385,280

For the Years Ended December 31	**2020**				2019			
	Program Services	**General and Administrative**	**Fundraising**	**Total**	Program Services	General and Administrative	Fundraising	Total
Personnel Expense	**$ 621,220**	**$ 70,147**	**$ 146,947**	**$ 838,314**	$ 517,999	$ 85,704	$ 249,427	$ 853,130
Professional Services	**42,190**	**60,166**	**3,850**	**106,206**	2,900	96,934	396	100,230
Communications and Outreach	**90,829**	**222**	**883**	**91,934**	192,737	1,984	3,404	198,125
Rent	**23,822**	**2,502**	**4,838**	**31,162**	25,250	4,169	12,185	41,604
Information Technology	**18,100**	**2,390**	**6,566**	**27,056**	10,404	2,741	6,603	19,748
Amortization	**15,762**	**1,655**	**3,201**	**20,618**	6,902	1,139	3,330	11,371
Other Expense	**1,985**	**3,617**	**7,147**	**12,749**	590	5,080	8,501	14,171
Chapter Grant and Stipends	**5,963**	**-**	**-**	**5,963**	10,538	-	-	10,538
Travel	**3,868**	**189**	**920**	**4,977**	50,906	1,106	24,518	76,530
Total	**$ 823,739**	**$ 140,888**	**$ 174,352**	**$ 1,138,979**	$ 818,226	$ 198,857	$ 308,364	$ 1,325,447

The accompanying notes are an integral part of these financial statements.

For the Years Ended December 31		**2020**		2019
Cash Flows from Operating Activities:				
Increase in Net Assets	**$**	**197,831**	$	58,110
Adjustments to Reconcile Increase in Net Assets to Net Cash (Used in) Provided by Operating Activities:				
Amortization		**20,618**		11,371
(Increase) Decrease in Contributions Receivable		**(185,044)**		265,000
Decrease (Increase) in Prepaid Expenses		**416**		(4,919)
Increase (Decrease) in Accounts Payable		**7,898**		(5,876)
Decrease in Accrued Expenses		**(44,041)**		(12,753)
Net Cash (Used in) Provided by Operating Activities		**(2,322)**		310,933
Cash Flows from Investing Activities:				
Acquisition of Intangible Assets		**(9,700)**		(39,528)
Decrease (Increase) in Security Deposits		**3,336**		(2,287)
Net Cash Used in Investing Activities		**(6,364)**		(41,815)
Net Cash Provided by Financing Activities:				
Borrowings from Long-Term Debt – Paycheck Protection Program		**150,500**		-
Net Increase in Cash		**141,814**		269,118
Cash, Beginning of Year		**1,332,596**		1,063,478
Cash, End of Year	**$**	**1,474,410**	$	1,332,596

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: College Diabetes Network, Inc. (the Organization) is a nonprofit organization, incorporated on June 3, 2010 in the Commonwealth of Massachusetts, that supports college students and young professionals with Type 1 diabetes. The Organization provides innovative peer-based programs that connect students and young professionals with diabetes and empower them to thrive.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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 (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Revenue Recognition: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions.

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

The Organization generates revenue from various professional services. Revenue from these services is recognized when the service is performed.

1. Organization and Summary of Significant Accounting Policies (Continued):

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and contributions receivable. The Organization maintains its cash with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash. Contributions receivable are carried at the outstanding principal balance, less an estimate for allowance for uncollectible receivables based upon management's judgment of potential defaults. Management determines the allowance for doubtful accounts by identifying troubled receivables balances and by using an assessment of the donor's credit worthiness. As of December 31, 2020 and 2019, management has recorded an allowance for doubtful accounts in the amounts of $2,500 and $7,500.

Definite-Lived Intangible Assets: The Organization accounts for amortization using the straight-line method over the related assets' estimated useful lives, as follows:

Website Development Costs	3 Years
Internal-Use Software	3 Years

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

1. Organization and Summary of Significant Accounting Policies (Continued):

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset.

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2020 and 2019, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Advertising Costs: The Organization expenses advertising costs as incurred. During the years ended December 31, 2020 and 2019, the Organization incurred advertising expense in the amounts of $5,020 and $31,351, respectively.

Functional Allocation of Expenses: The costs of providing the Organization's program and supporting activities have been summarized on a functional basis in the statements of activities.

Expenses related directly to program activities are charged directly to program services while other expenses that are common to several functions are allocated based on management's estimates, among major classes of program services and supporting activities.

Allocated expenses include rent and amortization, which have been allocated based upon time and effort.

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function.

The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2020 and 2019, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of December 31, 2020 and 2019. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2020 through April 14, 2021, the latter representing the issuance date of these financial statements.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year of December 31, 2020 and 2019 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2020	2019
Cash	$ 1,474,410	$ 1,332,596
Contributions Receivable, Net of Allowance for Doubtful Accounts	235,044	50,000
Total Financial Assets at End of Year	1,709,454	1,382,596
Less: Amounts Unavailable for General Expenditures within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	90,000	-
Board Designations:		
Board Reserves	450,000	450,000
	540,000	450,000
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 1,169,454	$ 932,596

The Organization is substantially supported by restricted contributions. Although a donor's restrictions require resources to be used in a particular manner or in a future period, the Organization expects to use all of the unexpended donor restricted contributions during the year ended December 31, 2021, except for the portion related to long-term contributions receivable. Therefore, the net assets with donor restrictions are considered available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, if needed, the board could vote to release the above board designations such that those net assets could then be available to meet cash needed for general expenditures.

3. Contributions Receivable:

Contributions receivable as of December 31, 2020 and 2019 consists of the following:

	2020	2019
Receivable in Less than One Year	$ 147,544	$ 57,500
Receivable in One to Five Year	90,000	-
Less: Allowance for Doubtful Accounts	2,500	7,500
	$ 235,044	$ 50,000

As of December 31, 2020, the discount on long-term contributions receivable using a risk-adjusted rate based on the daily treasury yield curves was considered immaterial to the financial statements.

4. Intangible Assets:

As of December 31, 2020 and 2019, intangible assets consist of the following:

	2020	
	Cost	Accumulated Amortization
Intangibles Subject to Amortization:		
Internal Use Software Costs	$ 48,865	$ 48,865
Website	77,478	33,558
	126,343	82,423
Intangibles Not Subject to Amortization:		
Trademarks	8,047	-
Total Intangible Assets	$ 134,390	$ 82,423

	2019	
	Cost	Accumulated Amortization
Intangibles Subject to Amortization:		
Internal Use Software Costs	$ 48,865	$ 48,865
Website	67,778	12,940
	116,643	61,805
Intangibles Not Subject to Amortization:		
Trademarks	8,047	-
Total Intangible Assets	$ 124,690	$ 61,805

Amortization expense for the years ended December 31, 2020 and 2019 amounted to $20,618 and $11,371, respectively.

Future amortization expense related to intangible assets as of December 31, 2020 is as follows:

Year Ending December 31,	
2021	$ 24,257
2022	14,455
2023	5,208
	$ 43,920

5. Long-Term Debt - Paycheck Protection Program:

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On April 23, 2020 the Organization's application with the lender was approved and as a result, the Organization obtained a loan (PPP Loan) in the amount of $150,500. The PPP Loan bears fixed interest at 1.00% per annum, which begins accruing from the date of the loan, and matures on April 23, 2022. The PPP Loan is unsecured and guaranteed by the SBA.

The PPP Loan is eligible to be forgiven provided the Organization satisfies certain conditions and upon approval by the lender and the SBA. The PPP Loan provides for the deferral of payments until the SBA has determined the forgiveness amount, at which time, any remaining PPP Loan amount requires equal monthly payments of principal plus accrued interest in an amount sufficient to repay the remaining PPP Loan balance by the maturity date. As of December 31, 2020, the outstanding balance of the PPP Loan amounted to $150,500, which is classified as a long-term liability and is included in long-term debt - paycheck protection program in the accompanying statements of financial position.

On March 19, 2021, the Organization obtained from the SBA notification of forgiveness of the entire PPP Loan balance of $150,500, plus accrued interest.

6. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of December 31, 2020 and 2019 consist of the following:

	2020	2019
Undesignated	$ 461,087	$ 301,530
Board Reserves	450,000	450,000
	$ 911,087	$ 751,530

7. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2020 and 2019 consist of the following:

	2020	2019
Subject to Passage of Time	$ 672,024	$ 633,750

8. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2020 and 2019 consist of the following:

	2020	2019
Subject to Passage of Time	$ 1,204,226	$ 1,017,425

9. Donated Goods and Services:

The Organization receives donated goods and services. The estimated fair value for goods and services is determined by the donor or by management. During the years ended December 31, 2020 and 2019, donated goods and services consisted of the following:

	2020	2019
Marketing and Outreach	$ 9,181	$ 79,707
Travel	-	8,220
Professional Services	-	14,795
	$ 9,181	$ 102,722

10. Operating Leases:

The Organization is party to an operating lease for office space, utilities and other amenities as a tenant-at-will. Under the terms of the lease agreement, the Organization is required to remit monthly rental payments in the amount of $5,119. Effective August 2020, the Organization's lease agreement was modified to change the required monthly rental payments to $532. The lease agreement can be terminated by the Organization or the landlord with 30 days notice. During the years ended December 31, 2020 and 2019, rent expense incurred under this agreement amounted to $31,162 and $41,604, respectively.

11. Economic Dependency:

During each of the years ended December 31, 2020 and 2019, the Organization received a substantial portion of its contributions from two and four donors. Contributions from these donors approximated 40% and 66% of the Organization's total contributions during the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, contributions receivable from three donors represented approximately 63% and 91%, respectively, of the Organization's total contributions receivable.

12. Risks and Uncertainties:

On January 30, 2020, the World Health Organization (WHO) announced an international public health emergency related to the COVID-19 outbreak. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The impact of the COVID-19 outbreak has resulted in economic uncertainties. The extent to which the Organization's financial results will be affected cannot be reasonably estimated at this time.

13. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2020 and 2019, no amounts have been accrued related to such indemnification provisions.

14. Subsequent Events:

Consolidated Appropriations Act: On December 27, 2020, the Consolidated Appropriations Act was enacted and signed into law, which in part, was designated to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the Consolidated Appropriations Act and submitted a loan application with a qualified lender for funding under the PPP, administered by the SBA.

On March 17, 2021, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (the Second PPP Loan) in the amount of $150,920. The Second PPP Loan bears fixed interest at 1.00% per annum, which begins accruing from the date of the loan, and matures on March 17, 2026. The Second PPP Loan is unsecured and guaranteed by the SBA. The Second PPP Loan is eligible to be forgiven provided the Organization satisfies certain conditions and upon approval by the lender and the SBA. The Second PPP Loan provides for the deferral of payments until the SBA has determined the forgiveness amount, at which time, any remaining Second PPP Loan amount requires equal payments of principal plus accrued interest in an amount sufficient to repay the remaining Second PPP Loan balance by the maturity date.

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