VITAMIN ANGEL ALLIANCE, INC.

FINANCIAL STATEMENTS

December 31, 2020

VITAMIN ANGEL ALLIANCE, INC.
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DAMITZ
BROOKS
NIGHTINGALE
TURNER
MORRISSET

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vitamin Angel Alliance, Inc.

We have audited the accompanying financial statements of Vitamin Angel Alliance, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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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 Vitamin Angel Alliance, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Uncertainties

As discussed in Note 13 to the financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited Vitamin Angel Alliance's 2019 financial statements, and our report dated July 7, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DAMITZ, BROOKS, NIGHTINGALE, TURNER & MORRISSET

Damitz, Brooks, Nightingale,
Turner & Morrisset
Santa Barbara, California
June 11, 2021

VITAMIN ANGEL ALLIANCE, INC.
Statement of Financial Position
December 31, 2020
(With Summarized Comparative Totals for 2019)

Assets	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Assets				
Cash	$ 5,804,869	$ 62,716	$ 5,867,585	$ 4,885,023
Prepaid expenses and deposits	315,254	-	315,254	67,703
Pledges receivable	-	9,983,675	9,983,675	4,464,722
Inventory	80,705,606	-	80,705,606	54,107,944
Investments	9,255,437	-	9,255,437	8,428,853
Office furniture, equipment, and leasehold improvements, net	265,549	-	265,549	304,488
Total assets	$ 96,346,715	$ 10,046,391	$ 106,393,106	$ 72,258,733
Liabilities and Net Assets				
Liabilities				
Accounts payable	$ 1,073,711	$ -	$ 1,073,711	$ 777,928
Accrued payroll liabilities	564,606	-	564,606	468,868
Accrued deferred compensation	350,000	-	350,000	275,000
Total liabilities	1,988,317	-	1,988,317	1,521,796
Net Assets				
Without donor restrictions				
Board designated	5,602,970	-	5,602,970	5,013,405
Other net assets without donor restrictions	88,755,428	-	88,755,428	61,196,094
With donor restrictions	-	10,046,391	10,046,391	4,527,438
Total net assets	94,358,398	10,046,391	104,404,789	70,736,937
Total Liabilities and Net Assets	$ 96,346,715	$ 10,046,391	$ 106,393,106	$ 72,258,733

VITAMIN ANGEL ALLIANCE, INC.
Statement of Activities
Year Ended December 31, 2020
(With Summarized Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Revenues and Other Support				
In-kind contributions	$ 106,330,715	$ -	$ 106,330,715	$ 87,940,041
Contributions	12,070,542	10,024,799	22,095,341	17,114,365
Special event income	-	-	-	295,440
Investment income, net	656,246	-	656,246	686,789
Paycheck Protection Program loan forgivness	700,000	-	700,000	-
Net assets released from restrictions	4,505,846	(4,505,846)	-	-
Total revenues and other support	124,263,349	5,518,953	129,782,302	106,036,635
Expenses				
Nutrition and health projects	89,978,513	-	89,978,513	104,944,307
Management and general	1,307,827	-	1,307,827	1,160,322
Special events and fundraising	4,828,110	-	4,828,110	4,948,438
Total expenses	96,114,450	-	96,114,450	111,053,067
Increase (decrease) in net assets	28,148,899	5,518,953	33,667,852	(5,016,432)
Net assets, beginning of year	66,209,499	4,527,438	70,736,937	75,753,369
Net assets, end of year	$ 94,358,398	$ 10,046,391	$ 104,404,789	$ 70,736,937

VITAMIN ANGEL ALLIANCE, INC.
Statement of Functional Expenses
Year Ended December 31, 2020
(With Summarized Comparative Totals for 2019)

	Program Services	Supporting Services		Total	
	Nutrition and Health Projects	Management and General	Special Events and Fundraising	2020	2019
Salaries	$ 1,538,522	$ 724,012	$ 2,382,666	$ 4,645,200	$ 4,228,740
Payroll taxes and benefits	249,102	123,511	402,584	775,197	712,269
Total salaries and benefits	1,787,624	847,523	2,785,250	5,420,397	4,941,009
Consulting	1,546,125	135,143	888,513	2,569,781	2,350,549
Depreciation and amortization	30,921	12,368	18,553	61,842	37,235
Development events, donor recognition, and marketing	-	-	771,272	771,272	933,731
Information technology	334,241	78,069	39,036	451,346	430,908
Insurance	63,044	25,217	37,826	126,087	122,136
Legal and accounting	161,483	80,741	26,914	269,138	190,509
Loss on disposal of asset	-	-	-	-	3,122
Occupancy	167,827	67,131	100,695	335,653	232,379
Office expenses	136,375	61,467	77,354	275,196	304,363
Postage and shipping	1,981,691	-	-	1,981,691	1,435,114
Products distributed - contributed	80,318,157	-	-	80,318,157	95,552,839
Products distributed - purchased	3,006,401	-	-	3,006,401	3,157,292
Program direct expense	238,675	-	-	238,675	253,540
Special event venue, catering, and other	-	-	-	-	99,067
Travel	205,949	168	82,697	288,814	1,009,274
Total expenses 2020	$ 89,978,513	$ 1,307,827	$ 4,828,110	$ 96,114,450	
Total expenses 2019	$ 104,944,307	$ 1,160,322	$ 4,948,438		$ 111,053,067

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

VITAMIN ANGEL ALLIANCE, INC.
Statement of Cash Flows
Year Ended December 31, 2020
(With Summarized Comparative Totals for 2019)

	2020	2019
Cash flows from operating activities		
Increase (decrease) in net assets	$ 33,667,852	$ (5,016,432)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities		
Amortization	-	5,205
Paycheck Protection Program loan forgiveness	(700,000)	-
Depreciation	61,843	32,031
Net realized gain on investments	(114,337)	(33,008)
Net unrealized gain on investments	(462,158)	(520,930)
Net realized loss on disposal of fixed assets	-	3,122
Decrease (increase) in:		
Inventory	(26,597,662)	8,041,387
Pledges receivable	(5,518,953)	(107,734)
Prepaid expenses and deposits	(247,551)	10,161
Increase (decrease) in:		
Accounts payable	295,783	38,317
Accrued payroll liabilities	95,738	89,928
Accrued deferred compensation	75,000	75,000
Net cash provided by operating activities	555,555	2,617,047
Cash flows from investing activities		
Purchase of investments	(1,912,225)	(1,885,476)
Proceeds from sales of investments	1,662,136	1,176,270
Purchase of office furniture and equipment	(22,904)	(277,407)
Net cash used by investing activities	(272,993)	(986,613)
Cash flows from financing activities		
Paycheck Protection Program loan	700,000	-
Net cash provided by financing activities	700,000	-
Net increase in cash	982,562	1,630,434
Cash, beginning of year	4,885,023	3,254,589
Cash, end of year	$ 5,867,585	$ 4,885,023

VITAMIN ANGEL ALLIANCE, INC.
Notes to Financial Statements
December 31, 2020

1. ORGANIZATION

The Vitamin Angel Alliance, Inc. (the "Organization"), a California nonprofit corporation, was founded in 1998 and is headquartered in Goleta, California. The Organization aims to reduce health and economic disparities across the lifespan by effectively delivering evidence-based nutrition interventions to hard-to-reach populations globally. The Organization's model is based on the reality that national health services are unable to reach all eligible beneficiaries, especially those that reside in marginalized or hard-to-reach communities.

Employing context-specific approaches, the Organization engages in advocacy and advisory services, provides evidence-based nutrition interventions, and delivers technical assistance to reach underserved populations. The Organization works at both the national and local level, often through a blended approach, to identify governments and non-governmental organizations (NGOs) interested in exploring the introduction and implementation of evidence-based nutrition interventions. It is through a range of strategies, working with multiple stakeholders, that the Organization can effectively and efficiently fill gaps in coverage.

The Organization supports a range of nutrition specific interventions, targeting the first 1,000 days of life (i.e., from conception to 24 months of age) and children up to 5 years of age. The Organization works to expand the availability of evidence-based nutrition interventions to hard-to-reach populations, with a focus on strengthening, sustaining, or expanding multiple micronutrient supplementation (MMS) for pregnant women, high-dose vitamin A supplementation for children under 5, deworming for children under 5, and infant and young child feeding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Net Assets

GAAP requires that the Organization report information regarding its financial position and activities according to two classes of net assets based on the existence and nature of donor imposed restrictions as follows:

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.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. 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 permanent in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2020 and 2019, there were no donor restricted funds that were permanent in nature.

Prior-Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but are not presented by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Cash

For purposes of the statement of cash flows, cash consists of cash in banks and excludes cash equivalents held for investment.

Investments

The Organization follows Accounting Standards Codification 820, Fair Value Measurements and Disclosures, issued by the Financial Accounting Standards Board (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. Pursuant to ASC 820, assets and liabilities recorded and maintained at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure fair value. ASC 820 establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Investments (Cont.)

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The Organization has no liabilities measured at fair value. Following is a description of the valuation methodologies used for cash and investments measured at fair value:

Cash and money market funds - Valued at face value (Level 1)

Equities and mutual funds - Valued utilizing quoted prices available in active markets for identical investments as of the reporting date. (Level 1)

Fixed income securities - Valued utilizing benchmark yields, reported trades or broker dealer quotes. (Level 2)

Detailed information about fair value of investments and the unrealized gains and losses are discussed in Note 4.

Inventory

The Organization's policy is to distribute inventory at the earliest practical date, consistent with sound programmatic principles. While the distribution typically occurs in the same year of receipt, it may occur in the following year. The expense ‘products distributed’ is recorded when inventory is shipped. Inventory consists of the following as of December 31:

	2020	2019
Health supplies – Anti-parasitic tablets	$ 48,403,880	$ 27,197,491
Prenatal Multivitamins	31,162,356	25,118,741
High-dose vitamin A	1,139,370	1,791,712
	$ 80,705,606	$ 54,107,944

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Inventory (Cont.)

Contributed inventory is recorded at fair value (See Note 1, Contributed Product). Purchased inventory is carried at cost, unless the purchase price has been discounted. If the Organization is able to purchase from a vendor at a price below the valuation price, the Organization records the discount as a gift in-kind (GIK) contribution. The discount is the difference between the amount that would be paid for the quantity of product purchased in an orderly transaction between market participants, and the purchase price paid by the Organization.

Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges receivable consist primarily of promises from corporate donors. The Organization uses the allowance method to determine uncollectible pledges. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible pledges at December 31, 2020 and 2019. There were no pledges receivable at December 31, 2020 with expected due dates beyond December 31, 2021.

In 2020, the Organization entered into a sponsorship agreement with total potential sponsorship contributions of $9,000,000. Based on communication with the sponsor, the Organization recognized a pledge receivable of $1,000,000 in 2020, which was received in January 2021. The Organization can receive an additional $4,000,000 in 2021 and 2022 and will recognize the remaining amounts when the sponsor pledges that the payments will be received by the Organization.

Office Furniture, Equipment, and Leasehold Improvements

Office furniture, equipment, and leasehold improvements are carried at cost, or if acquired by gift, at the estimated fair market value on the date of donation. Expenditures for major renewals that extend the useful lives of office furniture and equipment are capitalized if amounts are in excess of $500. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of office furniture and equipment as follows:

	Years
Furniture and fixtures	5-7
Computers and office equipment	5
Leasehold improvements	7

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenue Recognition

The Organization records contributions in the period received or promised as revenue without donor restrictions unless the donor stipulates any restrictions which are not met within the year the donation is received. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Donor restricted contributions whose restrictions are not met within the same year as received are recorded as an increase in net assets with donor restrictions. When a restriction expires due to purpose and/or time, net assets with donor restrictions are reclassified as net assets without donor restrictions.

Contributed Product

The Organization values gifts in-kind (GIK) at fair value. ASC 820 defines fair value as "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."

The fair value is determined based on the principal market for each product. There is no commercial market for the products contributed to the Organization in the United States. Accordingly, the principal market for the products contributed are limited to the international commercial marketplace where non-governmental organizations, governments, and/or local pharmacies transact for the product. The Organization uses independent pricing guides to determine the fair value of each product based on each product's specific formulation. The sources of such pricing information vary and may include IMS Health data, "Sources and Prices of Selected Medicines for Children", the Organization's own acquisition cost and/or the average wholesale price found in RedBook®.

IMS Health data comes from a company called IMS Health that provides market intelligence to pharmaceutical and healthcare industries and provides wholesale pricing data. The "Sources and Prices of Selected Medicines for Children" guide is published annually by UNICEF and the W.H.O. If the product formulations are not listed in IMS Health data or in the "Sources and Prices of Selected Medicines for Children" guide, the average wholesale price of the most similar products found in RedBook ® is used as a suitable pricing reference. RedBook® is published by Thomson Reuters and is based on United States manufacturers' suggested wholesale prices.

Valuations typically are substantially lower than published retail prices. Contributed products provided to the Organization's partners around the world are recorded as an expense at the same fair value as there were recognized upon receipt as revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont.)*

Contributed Services

The Organization recognizes contribution revenue for specialized services that would otherwise be purchased by the Organization in an amount equal to the fair value of those services. The legal consulting services were donated by a related party (Note 11). The following amounts were contributed and recognized as revenue:

Service Donated	2020 Fair Value	2019 Fair Value	Purpose
Accounting services	$ 4,000	$ 3,300	General
Legal consulting	208,700	135,700	General

Functional Allocation of Expenses

The statement of functional expenses present the natural classification detail of expenses by function. Direct expenses are charged to the appropriate program or supporting services. Certain costs have been allocated among the programs and supporting services benefited. Expenses allocated on a square footage basis include occupancy, depreciation, utilities, and insurance. Expenses allocated on the basis of estimates of time and effort include salaries and wages, benefits, payroll taxes, professional services, office expenses, and information technology.

Tax Exempt Status

The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, and is considered a public charity.

Uncertain Tax Positions

The Organization's IRS Form 990 is subject to review and examination by Federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The Organization's tax returns from the year 2017 to the present remain subject to examination by the IRS for federal tax purposes, and the tax years from 2016 to the present remain subject to examination by the state of California.

Use of Estimates

Financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant accounting estimates include valuation of contributed products and functional expense allocations. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through June 11, 2021, the date that the financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of December 31, 2020:

Cash	$ 5,867,585
Investments	9,255,437
Pledges receivable	9,983,675
Less deferred compensation liability	(350,000)
Less board-designated operating reserve	(5,602,970)
	$ 19,153,727

As part of the liquidity management plan, the Organization maintains an operating reserve. Based on the available liquidity as of December 31, 2020 and expected 2021 cash income, the Organization does not anticipate using the operating reserve during the fiscal year ending December 31, 2021.

4. INVESTMENTS

At December 31, 2020, investments without donor restrictions consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost
Money market funds (Level 1)	$ 3,114,618	$ 3,114,618	$ -
Mutual and exchange traded funds (Level 1)	998,440	1,086,260	87,820
Fixed income (Level 2)	1,572,778	1,661,152	88,374
Equities (Level 1)	2,481,752	3,393,407	911,655
	$ 8,167,588	$ 9,255,437	$1,087,849

At December 31, 2019, investments without donor restrictions consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost
Money market funds (Level 1)	$ 3,530,549	$ 3,530,549	$ -
Mutual and exchange traded funds (Level 1)	682,447	724,882	42,435
Fixed income (Level 2)	1,588,995	1,624,311	35,316
Equities (Level 1)	2,001,171	2,549,111	547,940
	$ 7,803,162	$ 8,428,853	$ 625,691

4. INVESTMENTS (Cont.)

Investment income for the years ending December 31, 2020 and 2019 consists of the following:

	2020	2019
Interest and dividends	$ 122,147	$ 168,068
Net realized gain	114,337	33,008
Net unrealized gain	462,158	520,930
	698,642	722,006
Less investment fees	(42,396)	(35,217)
Total investment income	$ 656,246	$ 686,789

5. OFFICE FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Office furniture, equipment, and leasehold improvements are summarized by major classifications as follows at December 31:

	2020	2019
Furniture and fixtures	$ 115,101	$ 102,774
Computers and office equipment	148,349	137,773
Leasehold improvements	150,596	150,596
Less accumulated depreciation	(148,497)	(86,655)
	$ 265,549	$ 304,488

Depreciation expense for the years ended December 31, 2020 and 2019 was approximately $61,800 and $32,000, respectively.

6. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization applied for and received a loan of $700,000 under the Small Business Administration Paycheck Protection Program. Loans received under this program are eligible for forgiveness as documented in the regulations. Any amounts not forgiven will have an annual interest rate of 1% and principal and interest will be due two years from the date of the loan. The Organization received formal notification that the forgiveness criteria was met on November 13, 2020 and recognized loan forgiveness income in the statement of activities.

7. OPERATING LEASE

On April 5, 2019, the Organization entered into a non-cancelable operating lease agreement with an expiration date of July 31, 2026. The initial monthly lease payments is approximately $25,100 with increases of approximately 3% annually. The Organization is also required to pay common area costs, including property taxes.

Rent expense for the building including common area costs and property taxes was approximately $335,700 and $203,800 for the years ended December 31, 2020 and 2019, respectively.

Future annual minimum lease payments under the existing operating lease is as follows:

Year ending December 31,		
	2021	$ 240,800
	2022	248,000
	2023	255,500
	2024	263,100
	2025 and later	158,165
		$ 1,165,565

8. BOARD DESIGNATED NET ASSETS

As of December 31, 2020 and 2019, the board has designated net assets without donor restrictions in the amount of $5,602,970 and $5,013,405, respectively, as an operating reserve fund.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of pledges receivable totaling $9,983,675 and $4,464,722 as of December 31, 2020 and 2019, respectively. These amounts will be released of donor restrictions upon collection. In 2018, the Organization received a donor restricted contribution from a foundation in the amount of $150,000, which subject to geographic use restrictions. In 2019, approximately $87,300 of the funds were released from restriction. As of December 31, 2020 approximately $62,700 of the funds remain restricted.

10. CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. As of December 31, 2020, substantially all of the Organization's cash was maintained in financial institutions. The cash balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for interest-bearing accounts. The Organization's uninsured cash balances by the FDIC totaled approximately $5,195,500 at December 31, 2020.

10. CONCENTRATIONS (Cont.)

Cash equivalent balances held in brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to $250,000 per institution. The Organization's uninsured cash balances by the SIPC totaled approximately $2,864,600 at December 31, 2020. For the year ended December 31, 2020, 72% of cash contributions were attributable to three donors and 97% of In-kind contributions were attributable to three donors. Including the in-kind contribution component, 90% of inventory acquisitions were from two vendors.

The Organization had two donors that accounted for approximately 80% of pledges receivable as of December 31, 2020.

11. RELATED PARTY TRANSACTIONS

A board member is a principal in a law firm that contributed legal consulting services in the amount approximately of $208,700 and $135,700 for the years ended December 31, 2020 and 2019, respectively (Note 1). In addition, a board member provided consulting services to the Organization totaling $145,200 annually for the years ended December 31, 2020 and 2019.

12. EMPLOYEE BENEFITS

Effective April 1, 2013, the Organization established a qualified profit sharing retirement plan with a 401(k) deferred compensation provision covering substantially all employees. Employees must meet the minimum hours of service requirement of one year and be 21 years old in order to qualify for inclusion in the plan. Under the plan, qualified employees may elect to defer up to 90% of their salaries, subject to the Internal Revenue Code (IRC) limits. The Organization makes safe harbor contributions equal to 3% of each participant's compensation, which are 100% vested as of the date of contribution. In addition, the Organization may elect to make discretionary contributions to the plan, subject to IRC limits, which are allocated to participants in accordance with the plan document. Expenses of the plan are paid by the Organization and are included in the financial statements as a component of general and administrative expenses.

The Organization's contribution to the plan, consisting of safe harbor and a discretionary contribution component, totaled approximately $160,600 and $137,400 and for the years ended December 31, 2020 and 2019, respectively.

The Organization established a non-qualified deferred compensation agreement under Section 457(f) of the IRC effective January 1, 2014. In September 2018, the agreement was amended to provide for deferred compensation of $75,000 annually for five years commencing with the year ending December 31, 2019. The agreement covers the president of the Organization.

12. EMPLOYEE BENEFITS (Cont.)

The agreement provides for a deferred compensation account to be funded as follows:

2014	$ 40,000
2015	40,000
2017	60,000
2018	60,000
2019	75,000
2020	75,000
2021 and thereafter	225,000
	$ 575,000

The account is owned by the Organization and is therefore included in investments on the accompanying Statement of Financial Position. As of December 31, 2020, $200,000 is vested. The remaining amount of $350,000 in the account will vest 100% as of December 31, 2023 or at the time of death, disability, or termination of employment without cause.

13. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closing of businesses and shelter in place orders. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration.