

THE ST. PHOTIOS FOUNDATION, INC.

**Financial Statements
and
Independent Auditors' Report
For the Year Ended December 31, 2021**

THE ST. PHOTIOS FOUNDATION, INC.

December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The St. Photios Foundation, Inc.
St. Augustine, Florida

Opinion

We have audited the accompanying financial statements of The St. Photios Foundation, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The St. Photios Foundation, Inc. as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The St. Photios Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The St. Photios Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

THE ST. PHOTIOS FOUNDATION, INC.
December 31, 2021

INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 St. Photios Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The St. Photios Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lake Brown Williams CPAs and Consultants, Inc.

St. Augustine, Florida
April 27, 2022

THE ST. PHOTIOS FOUNDATION, INC.
At December 31, 2021

Statement of Financial Position

Assets

Current assets

Cash and cash equivalents	\$73,890
Accounts receivable	37,048
Inventory, at cost	68,593
Prepaid expenses	16,984
Total current assets	<u>196,515</u>

Investments and restricted cash	3,596,385
Property and equipment, less accumulated depreciation of \$138,579	<u>102,630</u>

Total assets \$3,895,530

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$3,344
Payroll taxes liabilities	3,835
Total current liabilities	<u>7,179</u>

Net assets

Without donor restrictions	291,966
With donor restrictions	3,596,385
Total net assets	<u>3,888,351</u>

Total liabilities and net assets \$3,895,530

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Statement of Activities

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Endowment contribution		\$36,568	\$36,568
Merchandise sales, less discounts of \$2,885	\$412,206		412,206
Feast Day weekend	22,473		22,473
Wall of Tribute	22,812		22,812
Friends of St. Photios	21,922		21,922
Chapel candles	26,645		26,645
Greek Landing Day	24,471		24,471
General donations	7,437		7,437
Light-a-candle	19,959		19,959
Program revenue	24,204		24,204
COVID-19 relief	70,791		70,791
Interest and investment income	15	226,010	226,025
Unrealized gains on investments		324,031	324,031
Net assets released from restrictions:			
Restrictions satisfied (to general operating)	28,186	(28,186)	
Restrictions satisfied (to Archdiocese)		(24,989)	(24,989)
Total support and revenue	<u>681,121</u>	<u>533,434</u>	<u>1,214,555</u>
Expenses			
Program services	<u>554,041</u>		<u>554,041</u>
Supporting services:			
Management and general	38,868		38,868
Fund raising	8,516		8,516
Total supporting services	<u>47,384</u>		<u>47,384</u>
Total expenses	<u>601,425</u>		<u>601,425</u>
Change in net assets	79,696	533,434	613,130
Net assets at beginning of year, restated	<u>212,270</u>	<u>3,062,951</u>	<u>3,275,221</u>
Net assets at end of year	<u><u>\$291,966</u></u>	<u><u>\$3,596,385</u></u>	<u><u>\$3,888,351</u></u>

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Statement of Functional Expenses

	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
Advertising	\$9,688	\$2,422	\$4,036	\$16,146
Chapel	9,033			9,033
Cost of goods sold	245,361			245,361
Credit card costs	4,761			4,761
Dues and subscriptions		316		316
Feast Day weekend	6,044			6,044
Friends of St. Photios	2,261			2,261
Greek Landing Day	11,035			11,035
Health insurance	23,516	990	248	24,754
Insurance (other)	3,262			3,262
Light-a-candle	835			835
Operating supplies	3,237	3,632		6,869
Other operating expenses	312	5,927		6,239
Postage and delivery	6,540	1,968		8,508
Program costs	30,366			30,366
Repairs and maintenance	3,102	9,306		12,408
Salaries and taxes	175,724	7,399	1,850	184,973
Telephone	1,483	1,483	1,483	4,449
Travel and meals	3,598	1,499	899	5,996
Utilities	1,309	3,926		5,235
Wall of Tribute	1,297			1,297
Total before depreciation	542,764	38,868	8,516	590,148
Depreciation	11,277			11,277
Total functional expenses	<u>\$554,041</u>	<u>\$38,868</u>	<u>\$8,516</u>	<u>\$601,425</u>

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Statement of Cash Flows

Cash Flows from Operating Activities

Increase in net assets	\$613,130
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Add back: depreciation expense	11,277
Less: unrealized gains on investments	(324,031)
Less: COVID-19 relief loans forgiven	(70,791)
<i>(Increase)/decrease in operating assets</i>	
Accounts receivable	1,129
Inventory	(6,063)
Prepaid expenses	(14,723)
<i>Increase/(decrease) in operating liabilities</i>	
Accounts payable and accrued expenses	(14,706)
Payroll taxes liabilities	548
	<hr/>
Net cash provided by operating activities	195,770

Cash Flows from Investing Activities

Distribution transferred from restricted funds	28,186
Investment earnings retained in restricted funds	<u>(237,589)</u>
Net cash used in investing activities	<u>(209,403)</u>

Cash Flows from Financing Activities

Proceeds from second Payroll Protection Program loan	<u>32,895</u>
Net cash provided by financing activities	<u>32,895</u>
Net increase in cash and cash equivalents	19,262
Beginning cash and cash equivalents	<u>54,628</u>
Ending cash and cash equivalents	<u><u>\$73,890</u></u>

Supplemental disclosures of cash flow information:

Cash paid for interest	<u>None</u>
Cash paid for income taxes	<u>None</u>

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The St. Photios Foundation, Inc. (the “Foundation”) is a nonprofit corporation located in St. Augustine, Florida. The Foundation was incorporated in the State of Florida on July 23, 1981 for charitable, educational and religious purposes, including the making of distributions to and for the benefit of the Greek Orthodox Archdiocese of North and South America and other exempt organizations. The specific purpose for which the corporation was formed is to maintain, sustain, preserve and operate the St. Photios Shrine located in St. Augustine, Florida, as a memorial to the first colonies of Greek people and persons of the Greek Orthodox faith in America.

A summary of the Foundation’s significant accounting policies follows:

Basis of Presentation

The Foundation’s financial statements have been prepared on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification No. 958, “Not-for-Profit Entities” (“ASC 958”). Under ASC 958, the Foundation reports information regarding its financial position and activities according to the existence or absence of donor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Without donor restrictions – Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by action of the Board of Trustees.
- With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, the net asset is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received and are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions of gifts in-kind are recorded as revenue at their estimated fair value in the period received. Contributions are recorded as net assets without donor restrictions unless the donor has stipulated the period in which the assets are to be used, in which case, the contribution is recorded as net assets with donor restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value of Financial Instruments

The Foundation's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses. The values of the Foundation's financial instruments approximate their fair values because of the short-term nature of these instruments.

Accounts Receivable

Accounts receivable are stated at net realizable value, and consist of balances due from the sale of church supplies. The Foundation uses the allowance method to determine doubtful accounts receivable. The allowance is established based upon management's analysis of specific accounts and other economic factors. In the opinion of management, no allowance for doubtful accounts was considered necessary at December 31, 2021, since all delinquent balances are less than three months past due.

Inventory

Inventory consists of church supplies and items held for resale in the Foundation's gift shop and is stated at the lower of cost or net realizable value, with cost determined substantially on a first-in, first-out (FIFO) basis. Church supplies inventory consists entirely of finished goods, including: candles, incense, and holy water bottles. Gift shop inventory consists entirely of finished goods, including: icons, jewelry, cards, gifts, Christmas items, foods, books, DVDs, and other media.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Foundation capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three years for furniture and equipment to forty years for building improvements.

In conformity with accounting policies generally followed by nonprofit organizations, the value of the Foundation's collection of frescoes and religious treasures has been included in property and equipment. However, due to their indefinite or extraordinarily long useful lives, no depreciation on these assets has been recorded.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

Income Tax Status

The Foundation has been recognized by the Internal Revenue Service as an organization that is tax exempt under Section 501(c)(3) of the Internal Revenue Code and is not generally subject to state or federal taxes on income. In addition, the IRS has determined that the Foundation is a public charitable organization as defined in Sections 509(a)(1) and 170(b)(1)(A)(i) of the Internal Revenue Code and thus the Foundation is exempt from the excise tax on investment income.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and support, and expenses during the reporting period. Actual results could differ from those estimates.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, payroll taxes and benefits, which are allocated 95% to program services, 4% to management and general and 1% to fund raising.

NOTE 2 - RESTRICTIONS ON NET ASSETS

Endowment and Enhancement Funds

The St. Photios Greek Orthodox National Shrine Endowment was established in 2000 and was created for religious, educational, charitable, scientific and related purposes; specifically, to further the causes, programs and activities advanced by the Foundation. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Foundation indefinitely, and income from the fund (interest, dividends and realized gains) is to be expended for repairs and maintenance of The St. Photios Shrine Complex and The St. Photios Shrine operations and outreach. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Trustees of the Foundation has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Foundation would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 2 - RESTRICTIONS ON NET ASSETS (CONTINUED)

The Foundation has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide its program with current income. Endowment assets are invested in cash and long-term investments. The Foundation seeks to build endowment assets through additional contributions. The Foundation has a policy of appropriating for distribution each quarter no more than 75% of the endowment fund's investment income from the previous quarter, and the Foundation generally expends the endowment fund's investment income for repairs, maintenance and program services in that fiscal quarter. This spending policy allows for 25% of the interest and gains of the fund to be applied to the principal to ensure growth. During 2019, the Board of Trustees approved allocating one-third of the investment income earned annually on the endowment account to the Greek Orthodox Archdiocese of America, in an amount not to exceed \$30,000. Another one-third will be contributed to the general operating account, and the remaining one-third will be retained in the corpus of the Endowment Account.

The composition of endowment net assets for these funds and the changes in endowment net assets as of December 31, 2021 follows:

	Endowment Fund	Enhancement Fund	Total
Net Assets with Donor Restrictions:			
Net assets, January 1, 2021	\$3,024,986	\$37,965	\$3,062,951
Contributions	36,568		36,568
Interest and investment income, net	225,071	939	226,010
Unrealized gains on investments	320,821	3,210	324,031
Amounts appropriated for expenditures	(53,175)		(53,175)
Net assets, December 31, 2021	\$3,554,271	\$42,114	\$3,596,385

NOTE 3 - DATE OF MANAGEMENT'S REVIEW AND SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure through April 27, 2022, the date that the financial statements were available to be issued. Based upon this evaluation, the Foundation has determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

Effective January 1, 2013, Federal Deposit Insurance Corporation ("FDIC") insures balances of less than \$250,000 (per tax identification number) for cash accounts. At December 31, 2021, the Foundation had no uninsured cash accounts.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation's financial assets as of December 31, 2021 include cash, cash equivalents, and accounts receivable totaling \$110,938. Donor-restricted amounts that are available for use within one year for repairs, maintenance and program services include the investment return that will be appropriated from the endowment fund during the year.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>Life</u>	
Building improvements	7-40 years	\$60,440
Frescoes and religious treasures	Not depreciated	69,733
Furniture and fixtures	7 years	96,725
Office equipment	2-5 years	<u>14,311</u>
		241,209
Less accumulated depreciation		<u>(138,579)</u>
Total		<u><u>\$102,630</u></u>

Depreciation expense for 2021 was \$11,277.

NOTE 7 - INVESTMENTS

Accounting Standards Codification Topic 820 establishes 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs are quoted prices in active markets for identical investments that the Foundation has the ability to access at the measurement date.
- Level 2 - Inputs are inputs other than quoted prices within Level 1 that are observable for the investment, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.
- Level 3 - Unobservable inputs for the investment, including estimates by partnership managers based on the best information available.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 7 - INVESTMENTS (CONTINUED)

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. For the valuation of investments, the Foundation used quoted prices in principal active markets for identical assets as of the valuation date.

Gains and losses on investments resulting from market fluctuations are recorded in the statement of activities in the period that such fluctuations occur. Realized and unrealized gains or losses on sales of investments are calculated on an adjusted cost basis.

The cost of investments on hand at December 31, 2021 and their fair market values are as follows:

	Cost	Fair Market Value
Cash and bank sweep accounts	\$300,136	\$300,136
Investments (stocks and bonds)	2,407,039	3,296,249
Total investments	\$2,707,175	\$3,596,385

The following table summarizes the valuation of the Foundation's fair value measurements in accordance with authoritative guidance at December 31, 2021:

	Fair Value	Level 1	Level 2	Level 3
Cash and bank sweep accounts	\$300,136	\$300,136		
Investments (stocks and bonds)	3,296,249	3,296,249		
Total investments	\$3,596,385	\$3,596,385	\$0	\$0

NOTE 8 - ARCHDIOCESE HIERARCHAL PROISTAMENOS ACCOUNT

The Foundation acts as the fiduciary agent to the Archdiocese Hierarchal Proistamenos. The Foundation receives and makes payments on behalf of the Archdiocese. Revenue and expenses related to this are not included in the Foundation's reported balances as of December 31, 2021.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 9 - RELATED PARTY TRANSACTIONS

During 2021, payments totaling \$45,347 were made to Spectrum Films (an entity which is co-owned by a member of the Board of Trustees) for special production projects. Of this total amount, \$24,977 was paid on behalf of the Foundation and is included in expenses and the remaining \$20,370 was paid on behalf of the Archdiocese Hierarchal Proistamenos and therefore is not included in the Foundation's 2021 expenses (see Note 8).

NOTE 10 - COVID-19

The outbreak and spread of the COVID-19 virus has been classified as a pandemic by the World Health Organization. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services disrupted businesses around the globe. The Foundation has been diligent in taking measures to minimize the impact on its operations that include establishing protection practices and modifications to reduce potential exposure to COVID-19 and seeking funding and financial aid from external sources.

NOTE 11 - COVID-19 ASSISTANCE

In response to the COVID-19 pandemic, the U.S. government approved a stimulus package including a Payroll Protection Program loan ("PPP") to be administered by the Small Business Administration (the "SBA"). In May 2020, the Foundation was approved for a loan with Wells Fargo Bank in the amount of \$32,896, for the purpose of subsidizing the economic impact of COVID-19. The loan carried an interest rate of 1.0% and was due on May 6, 2022. The Foundation received approval from the SBA for loan forgiveness on March 29, 2021. This amount is included in COVID-19 relief revenue on the statement of activities for the year ended December 31, 2021.

During 2020, the Foundation also obtained a \$5,000 COVID-19 Economic Injury Disaster Loan (EIDL). This loan carried an interest rate of 1% and two-year term. The Foundation received approval from the SBA for loan forgiveness during 2021. This amount is included in COVID-19 relief revenue on the statement of activities for the year ended December 31, 2021.

On February 18, 2021, the Foundation obtained a second PPP loan through Ameris Bank in the amount of \$32,895 with a 1% interest rate and five-year term. The Foundation received approval from the SBA for loan forgiveness on September 10, 2021. This amount is included in COVID-19 relief revenue on the statement of activities for the year ended December 31, 2021.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Foundation may be periodically involved in actions and claims that arise as a result of events that occur in the normal course of operations. Management reviews the validity of such actions and acts accordingly. The financial statements do not include any adjustments for such actions.

THE ST. PHOTIOS FOUNDATION, INC.
For the Year Ended December 31, 2021

Notes to the Financial Statements

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Prior period adjustments totaling \$20,793 have been recorded to the net assets without donor restrictions balance as of December 31, 2020. This includes certain assets and liabilities identified during 2021 that related to prior years. These items have been recorded as a restatement of the beginning balance rather than in the current year revenues and expenses in order to avoid misstating the current year activities.

NOTE 14 - RECENT ACCOUNT PRONOUNCEMENTS

ASU 2014-09, Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU replaces most existing revenue recognition guidance in U.S. GAAP. The standard permits the use of either the retrospective or cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606), which deferred the effective date of the new revenue recognition standard for one year. The new standard was effective for the Foundation beginning on January 1, 2021. There were no changes to the financial statements as a result of the adoption of this new standard.