

**CHRIS KLUG FOUNDATION**  
**FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTAL INFORMATION**

December 31, 2019

## TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11

*M & H*

---

---

**Maggard  
& Hood, P.C.**

---

---

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
The Chris Klug Foundation  
Aspen, Colorado

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

We have reviewed the accompanying financial statements of The Chris Klug Foundation (a nonprofit Foundation) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



MAGGARD & HOOD, P.C.  
Glenwood Springs, Colorado  
August 10, 2020

**CHRIS KLUG FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 255,590	\$ 6,500	\$ 262,090
Investments	103,390	-	103,390
Prepaid Expenses	933	-	933
Deposits	690	-	690
TOTAL ASSETS	\$ 360,603	\$ 6,500	\$ 367,103
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 8,740	\$ -	\$ 8,740
Payroll Liabilities	5,028	-	5,028
TOTAL CURRENT LIABILITIES	13,768	-	13,768
<u>NET ASSETS:</u>			
Without Donor Restrictions	346,835	-	346,835
With Donor Restrictions	-	6,500	6,500
TOTAL NET ASSETS	346,835	6,500	353,335
TOTAL LIABILITIES AND NET ASSETS	\$ 360,603	\$ 6,500	\$ 367,103

See the accompanying notes and independent accountants' review report.

**CHRIS KLUG FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<u>REVENUES AND OTHER SUPPORT</u>			
PUBLIC SUPPORT:			
Grants	\$ 500	\$ 46,500	\$ 47,000
Contributions	231,093	-	231,093
Sponsorships	68,500	10,000	78,500
In-Kind Contributions	26,000	-	26,000
Special Events (incl. contributions of \$16,000)	35,500	-	35,500
PROGRAM REVENUES:			
Registration Fees	20,965	-	20,965
OTHER:			
Interest and Investment Earnings	1,620	-	1,620
Other Revenues	8,091	-	8,091
NET ASSETS RELEASED FROM RESTRICTIONS:			
Satisfaction of Purpose Restrictions	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>442,269</u>	<u>6,500</u>	<u>448,769</u>
 <u>EXPENSES:</u>			
Program Services	333,656	-	333,656
Management and Administration	38,792	-	38,792
Fundraising	36,231	-	36,231
Special Events Expenses	2,150	-	2,150
TOTAL EXPENSES	<u>410,829</u>	<u>-</u>	<u>410,829</u>
 CHANGE IN NET ASSETS	 31,440	 6,500	 37,940
NET ASSETS-BEGINNING OF YEAR	<u>315,395</u>	<u>-</u>	<u>315,395</u>
NET ASSETS-END OF YEAR	<u>\$ 346,835</u>	<u>\$ 6,500</u>	<u>\$ 353,335</u>

See the accompanying notes and independent accountants' review report.

**CHRIS KLUG FOUNDATION**  
**SCHEDULE OF PROGRAM EXPENSES**  
For the Year Ended December 31, 2019

	Program Expenses				Total Programs	Management & Administration	Fundraising	Special Events	Total Expenses
	General Programs	Leadville	NYC Marathon	Summit for Life					
Salaries	\$ 88,527	\$ -	\$ -	\$ -	\$ 88,527	\$ 16,068	\$ 28,787	\$ -	\$ 133,382
Employee Benefits	7,488	-	-	-	7,488	329	1,200	-	9,017
Payroll Taxes	6,772	-	-	-	6,772	1,229	2,202	-	10,203
Professional Fees	3,000	-	-	15,500	18,500	13,789	-	-	32,289
Advertising & Promotion	-	-	-	6,889	6,889	-	-	-	6,889
Office Expenses	92	-	-	-	92	1,455	-	-	1,547
Information Technology	2,817	-	-	228	3,045	599	-	-	3,644
Occupancy	7,759	-	-	-	7,759	697	2,524	-	10,980
Travel & Mileage Reimbursement	295	-	-	-	295	-	-	-	295
Insurance	-	-	-	-	-	3,095	-	-	3,095
Ambassador/Patient Ambassador	17,970	-	-	260	18,230	-	-	-	18,230
Annual Appeal	2,734	-	-	-	2,734	-	-	-	2,734
Bank Charges & Merchant Fees	2,886	346	338	638	4,208	94	-	-	4,302
Continuing Education	19	-	-	-	19	-	-	-	19
Donor Dudes	3,881	-	-	-	3,881	-	-	-	3,881
Dues & Subscriptions	790	-	-	-	790	680	125	-	1,595
Education/Awareness	11,137	-	-	-	11,137	-	-	-	11,137
Events/Special Events	-	-	-	18,560	18,560	-	-	2,150	20,710
Facility Rental	-	-	-	23,047	23,047	-	-	-	23,047
Fundraising & Gift/Appreciation	2,778	-	-	-	2,778	81	1,393	-	4,252
Licenses & Permits	400	-	-	829	1,229	-	-	-	1,229
Materials	1,226	-	-	760	1,986	-	-	-	1,986
Miscellaneous/Other Expenses	1,162	-	-	142	1,304	676	-	-	1,980
Schwag	12,010	-	-	385	12,395	-	-	-	12,395
Program Expense	17,350	12,646	-	28,244	58,240	-	-	-	58,240
Postage & Delivery	2,423	-	-	-	2,423	-	-	-	2,423
Registrations Expense	-	20,170	8,002	-	28,172	-	-	-	28,172
Social Media	1,926	-	-	350	2,276	-	-	-	2,276
Telephone Expense	880	-	-	-	880	-	-	-	880
<b>TOTAL EXPENSES</b>	<b>\$ 196,323</b>	<b>\$ 33,162</b>	<b>\$ 8,340</b>	<b>\$ 95,832</b>	<b>\$ 333,656</b>	<b>\$ 38,792</b>	<b>\$ 36,231</b>	<b>\$ 2,150</b>	<b>\$ 410,829</b>

See the accompanying notes and independent accountants' review report.

**CHRIS KLUG FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 37,940
<i>Adjustments to Reconcile Change in Net Assets to</i>	
<i>Net Cash Provided (Used) by Operating Activities:</i>	
Realized (Gain)/Loss on Investments	(504)
Unrealized (Gain)/Loss on Investments	(135)
(Increase)/Decrease in Accounts Receivable	2,500
(Increase)/Decrease in Prepaid Expenses	(933)
Increase/(Decrease) in Accounts Payable	(22,176)
Increase/(Decrease) in Accrued Liabilities	<u>(6,159)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><b>10,533</b></u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment Sale/Maturity	50,000
Investment Purchases/Reinvestments	<u>(50,981)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u><b>(981)</b></u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,552
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>252,538</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u><u>\$ 262,090</u></u>

<u>SUPPLEMENTARY INFORMATION:</u>	
Noncash Contributions	\$ <u>26,000</u>

See the accompanying notes and independent accountants' review report.

**CHRIS KLUG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

ORGANIZATION

The Chris Klug Foundation (the Foundation) is a nationally recognized non-profit foundation located in Aspen, Colorado, organized under Section 501(c)(3) of the Internal Revenue Code and incorporated under Article 40, Title 7 of the Colorado Revised Statutes. The Foundation was founded in 2003 by liver transplant recipient and Olympic Medalist snowboarder, Chris Klug.

The Foundation is dedicated to promoting lifesaving organ donation and improving the quality of life of donors, donor families, organ transplant candidates and recipients. The Foundation is passionate about sharing the message of organ donation and educating people on the impact one person can have on the lives of so many others. The Foundation has the ability to speak to the younger demographic with Chris Klug inspiring youth with his story of the Olympics and overcoming the challenges dealt to him. With more than one hundred thousand people on waiting lists for solid organ transplants across the United States, the Foundation is devoted to making a difference to those waiting for a second chance by working to promote the message of organ donation.

The Foundation has invested in an application that permits it to scan licenses to register organ and tissue donors immediately with State Organ Procurement Organizations. In addition, the Foundation distributes a no-cost Toolkit for Teachers web-based curriculum, providing interactive video messaging, organ donation facts, and quizzes that educate students on the importance of organ donation.

It also facilitates Donor Dudes events at high schools and colleges to educate and raise awareness about organ donation, runs a hospital Patient Ambassador program by partnering with organ transplant recipients across the country to promote transplantation and create awareness of the extreme need for registered donors, and further promotes its mission through ongoing social media campaigns and its website's inspirational blog.

The Foundation is supported primarily through general public contributions, grants and registration fees.

The Foundation is governed by a Board of Directors which conducts the business and affairs of the Foundation. An Executive Director, whom is appointed by the Board, functions as the chief administrator and is directly responsible to the Board.



**CHRIS KLUG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued*

**BASIS OF ACCOUNTING AND PRESENTATION**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, subsection 205, *Presentation of Financial Statements*, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Foundations. Under these provisions, net assets and revenues, and gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified 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 Foundation. The Foundation's Board may designate assets without restrictions for specific operational purposes from time to time.

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

**CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Foundation considers all cash and other highly liquid investments with initial maturities 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 valued 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, if applicable, are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investment return is presented net of investment fees. Investments are measured at fair value on a recurring basis and are insured by the Securities Investor Protection Corporation (SIPC).

**RECEIVABLES**

Accounts and pledges receivable are recorded at net realizable value if expected to be collected in one year and at present value if expected to be collected in more than one year. The Foundation considers receivables to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary for any outstanding receivable balances. After reasonable collection efforts are made by management, the direct write-off method is used to recognize bad debt expense on any uncollectible accounts.

**CHRIS KLUG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued*

CONTRIBUTIONS, SUPPORT AND REVENUE

Unconditional contributions are recognized when pledged or recorded as net assets without donor restrictions or as net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Any contributions that are restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation receives donated services from unpaid volunteers who assist in projects and fundraising which are not recognized as contributions in the financial statements since the criteria for recognition have not been satisfied.

The Foundation receives fees for services and recognizes these fees when earned.

ALLOCATION OF FUNCTIONAL EXPENSES

The majority of the Foundation's expenses are allocated on a consistent basis to the services benefited for program services, management and administration, and fundraising based on the percentage of time spent on each project or function compared to total time worked. In addition, costs which can be identified with specific activities are allocated directly to that program or function. Such allocations are determined by management. Indirect expenses that are allocated include employee benefits, payroll taxes and occupancy expenses.

ADVERTISING

The Foundation expenses advertising costs as incurred. Total advertising expenses for the year ended December 31, 2019 were \$6,889.

COMPENSATED ABSENCES

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated and are believed to be immaterial to the financial statements taken as a whole. The Foundation's policy is to recognize these costs as paid.

**CHRIS KLUG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued*

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from estimates.

INCOME TAXES

The Chris Klug Foundation is a non-profit Foundation exempt under Code Section 501(c)(3) described under Code Sections 509(a)(1) and 170(b)(1)(A)(vi). The Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions under the provisions of Section 170(b)(1)(A)(vi).

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation follows the use of a two-step approach for recognizing and measuring tax positions taken or expected to be taken in a tax return. First, a tax position should only be recognized when it is more likely than not, based on technical merits, that the position will be sustained upon examination by the taxing authority. Second, a tax position that meets the recognition threshold should be measured at the largest amount that has a greater than 50 percent likelihood of being sustained. The Foundation had no material unrecognized tax benefits for the year ended December 31, 2019. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year. The Foundation is no longer subject to Federal or state income tax examinations by tax authorities for years before 2016.

*NOTE 2 - FAIR VALUES OF FINANCIAL INSTRUMENTS*

The Foundation has adopted the provisions of FASB ASC 820-10 *Fair Value Measurements* for financial and non-financial assets and liabilities measured at fair value on a recurring basis. The Foundation's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and investments. Management estimates that the fair value of all financial instruments at December 31, 2019 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amounts of cash and cash equivalents approximate fair values because of short maturities of those instruments.

Investments are measured at fair value on a recurring basis and consist of US Treasuries maturing August 15, 2020 and October 31, 2020, which are Level 1 assets (whereby inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities). Fair value at year end is \$103,390. Investment income includes interest income of \$981 and net realized/unrealized gain of \$639.

**CHRIS KLUG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

*NOTE 3 - CONCENTRATION OF CREDIT RISK/CASH AND CASH EQUIVALENTS*

The Foundation maintains bank deposits at one financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2019, there were deposits of \$274,428 with a total of \$24,428 in excess of FDIC. The difference between total deposits and the carrying value reflected on the accompanying statement of net assets is due to outstanding items.

*NOTE 4 - LIQUIDITY*

The Foundation's financial assets available within one year of the balance sheet date for general expenditure, without donor or other restrictions limiting their use, are as follows:

Cash and Cash Equivalents	\$ 262,090
Other Investments Appropriate for Current Use	<u>103,390</u>
	<u>\$ 365,480</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Foundation has a goal to maintain financial assets, which consist of cash on hand, to meet one year of minimal operating expenses (approximately \$83,000).

*NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS*

As of December 31, 2019, cash balances in the total amount of \$6,500 are temporarily restricted for 2020 program expenses related to Toolkits for Teachers/Youth Education for Driver's License Donor Designation.

*NOTE 6 - COMMITMENTS*

The Foundation leases office space on an annually renewable basis. Total rent paid during the lease period January 1, 2019 through December 31, 2019 was \$9,924.

*NOTE 7- CONTRIBUTED MATERIALS & SERVICES*

The Foundation received donations in the form of reduced or free for services. For the year ended December 31, 2019, the difference between the fair market value and actual amounts paid of \$26,000 has been reflected in the statement of activities as in-kind revenue and expense. The Foundation does not recognize any support or expense from services contributed by volunteers as the value of these services is not susceptible to objective measurement or valuation.

*NOTE 8- EVENTS/SPECIAL EVENTS*

During 2019, the Foundation conducted a wine and dine event designed to inform supporters about current operations and to introduce potential new donors to the Foundation, as well as holding its annual Summit 4 Life Program event. For these events, total revenues of \$35,500 (including contributions of \$16,000), special events expenses of \$2,150 and program expenses of \$18,560 were recognized on the Statement of Activities.

**CHRIS KLUG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

*NOTE 9 - SUBSEQUENT EVENTS*

Management has evaluated events subsequent to December 31, 2019 through the issuance date of this report. In early 2020 a worldwide pandemic arose caused by the coronavirus Covid-19 which has negatively impacted the general operations of the Foundation during the first several months of 2020. The Foundation's management and Board of Directors have acknowledged the threat of the coronavirus and evaluated several scenarios for impacts on overall operations; however, the long-term impact is currently unknown as of the date of the auditor's report. There have been no additional material events noted during this period that would impact the result reflected in this report or the Foundation's results going forward.