

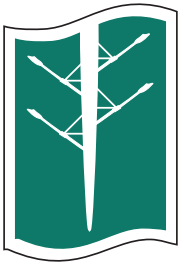
JOHNNY MAC SOLDIERS FUND, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

JOHNNY MAC SOLDIERS FUND, INC.

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FOR THE YEAR ENDED DECEMBER 31, 2021

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Murphy,
Edwards,
Goncalves
&
Ferrera, PC

*Certified Public Accountants
and Business Advisors*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Johnny Mac Soldiers Fund, Inc.

Opinion

We have audited the accompanying financial statements of Johnny Mac Soldiers Fund, Inc. (a nonprofit organization), 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 Johnny Mac Soldiers Fund, Inc. as of December 31, 2021, and the changes in 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 Johnny Mac Soldiers Fund, 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.

INDEPENDENT AUDITORS' REPORT

(Continued)

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 Johnny Mac Soldiers Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Johnny Mac Soldiers Fund, 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 Johnny Mac Soldiers Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITORS' REPORT

(Continued)

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.

Report on Summarized Comparative Information

We have previously audited Johnny Mac Soldiers Fund, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Murphy, Edwards, Goncalves & Ferrera, PC

Southborough, Massachusetts
October 26, 2022

JOHNNY MAC SOLDIERS FUND, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021

(With Comparative Totals as of December 31, 2020)

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents (Notes 2, 3 and 7)	\$ 1,843,962	\$ 1,227,318
Pledges Receivable (Notes 2, 3, 4 and 7)	882,543	1,096,956
Other Receivable (Note 3)	4,370	15,000
Prepaid Expenses	69,177	87,340
Total Current Assets	<u>2,800,052</u>	<u>2,426,614</u>
OTHER ASSETS:		
Venue Deposits	-	35,500
Investments (Notes 2, 3, 5 and 7)	799,855	930,321
Total Other Assets	<u>799,855</u>	<u>965,821</u>
TOTAL ASSETS	<u><u>\$ 3,599,907</u></u>	<u><u>\$ 3,392,435</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 75,000	\$ -
Accrued Expenses	3,250	-
Note Payable	-	20,833
Total Current Liabilities	<u>78,250</u>	<u>20,833</u>
TOTAL LIABILITIES	78,250	20,833
NET ASSETS:		
Without Donor Restrictions (Note 2)	<u>3,521,657</u>	<u>3,371,602</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,599,907</u></u>	<u><u>\$ 3,392,435</u></u>

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

JOHNNY MAC SOLDIERS FUND, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUE:		
Contributions (Notes 2 and 7)	\$ 3,654,687	\$ 4,498,078
Special Event Revenues, including		
In-Kind Contributions (Note 7)	1,369,532	-
Direct Special Event Costs, including		
In-Kind Expenses (Note 7)	(138,600)	-
Net Special Event Revenues	<u>1,230,932</u>	<u>-</u>
Other In-Kind Contributions (Note 2)	94,665	86,255
Other Income	659	9,645
Net Investment Return	<u>292,942</u>	<u>34,833</u>
TOTAL SUPPORT AND REVENUE	<u>5,273,885</u>	<u>4,628,811</u>
FUNCTIONAL EXPENSES: (Note 2)		
Program Services	<u>4,757,465</u>	<u>3,954,031</u>
Support Services:		
General and Administrative	100,662	91,256
Fundraising	<u>265,703</u>	<u>245,596</u>
Total Support Services	<u>366,365</u>	<u>336,852</u>
TOTAL FUNCTIONAL EXPENSES	<u>5,123,830</u>	<u>4,290,883</u>
INCREASE IN NET ASSETS	150,055	337,928
NET ASSETS - BEGINNING	<u>3,371,602</u>	<u>3,033,674</u>
NET ASSETS - ENDING	<u><u>\$ 3,521,657</u></u>	<u><u>\$ 3,371,602</u></u>

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

JOHNNY MAC SOLDIERS FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	SUPPORT SERVICES					
	Program Services	General & Administrative	Fund- Raising	Direct Benefits to Donors	Total 2021	Total 2020
Salaries	\$ 93,167	\$ 46,583	\$ 93,167	\$ -	\$ 232,917	\$ 195,000
Payroll Taxes	4,892	2,446	4,892	-	12,230	11,365
Employee Benefits (Note 6)	21,792	10,896	21,792	-	54,480	45,000
Total Payroll and Related Expenses	119,851	59,925	119,851	-	299,627	251,365
Grants	4,600,000	-	-	-	4,600,000	3,835,000
Direct Special Events (Note 2)	-	-	70,309	68,291	138,600	-
In-Kind Marketing (Note 2)	-	-	64,226	-	64,226	57,212
Office Supplies and Expenses	491	4,384	49,224	-	54,099	47,760
Professional Fees	18,797	9,821	28,617	-	57,235	37,016
Other Fundraising Expenses (Note 2)	-	-	-	-	-	27,760
In-Kind Professional Fees (Note 2)	-	21,000	-	-	21,000	20,000
In-Kind Printing (Note 2)	9,439	-	-	-	9,439	-
Advertising and Marketing (Note 2)	4,921	-	-	-	4,921	4,876
Insurance	301	4,040	301	-	4,642	4,138
Travel	3,273	-	2,694	-	5,967	2,949
Licenses and Fees	-	1,492	-	-	1,492	2,012
Miscellaneous	392	-	790	-	1,182	795
Total Expenses	4,757,465	100,662	336,012	68,291	5,262,430	4,290,883
Less Items Included Within the Statement of Activities:						
Direct Special Events	-	-	(70,309)	(68,291)	(138,600)	-
Total Functional Expenses	<u>\$ 4,757,465</u>	<u>\$ 100,662</u>	<u>\$ 265,703</u>	<u>\$ -</u>	<u>\$ 5,123,830</u>	<u>\$ 4,290,883</u>

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

JOHNNY MAC SOLDIERS FUND, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 150,055	\$ 337,928
Adjustments to Reconcile the Above to		
Net Cash Provided (Used) by Operating Activities:		
Donated Securities	(250,000)	-
Realized (Gain) Loss on Sales of Investments	(80,335)	346
Unrealized (Gain) Loss on Investments	37,463	(20,321)
Uncollectible Pledges Receivable	2,436	500
Paycheck Protection Program Loan Forgiveness	(20,833)	-
Changes in Assets and Liabilities:		
Pledges Receivable	211,977	263,074
Other Receivable	10,630	(15,000)
Prepaid Expenses	18,163	(74,245)
Venue Deposits	35,500	(35,500)
Accounts Payable	75,000	(100,039)
Accrued Expenses	3,250	-
Deferred Revenue	-	(78,296)
Net Cash Provided by Operating Activities	<u>193,306</u>	<u>278,447</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sales of Investments	2,500,000	1,760,000
Purchases of Investments	<u>(2,076,662)</u>	<u>(1,567,975)</u>
Net Cash Provided by Investing Activities	<u>423,338</u>	<u>192,025</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Loans	<u>-</u>	<u>20,833</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>20,833</u>
INCREASE IN CASH AND CASH EQUIVALENTS	616,644	491,305
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,227,318</u>	<u>736,013</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,843,962</u></u>	<u><u>\$ 1,227,318</u></u>

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Johnny Mac Soldiers Fund, Inc. is a nonprofit corporation located in Ashburn, Virginia which provides information, scholarships, educational assistance, and other services to persons who are veterans, or who are children or spouses of veterans, of the United States Army, Navy, Marines, Air Force or Coast Guard who are in financial need. The Organization also provides financial support to educational institutions and other charitable organizations whose purposes are similar. The Organization is funded primarily by donations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With Donor Restrictions - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time or which are subject to donor-imposed restrictions such that they be maintained permanently by the Organization.

Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not in sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the prior year, from which the summarized totals were derived.

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Johnny Mac Soldiers Fund, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable are unsecured amounts due to the Organization based on unconditional promises to give made by various donors. Pledges receivable are reported at fair value in the period the promise to give is made and are carried at their estimated collectible amounts. Pledges are periodically evaluated by management for collectability. Provisions for losses on pledges receivable are determined on the basis of loss experience, risk in the pledge balances, and current economic conditions. Losses on pledges incurred in 2021 totaled \$2,436 and are included in direct fundraising expenses. Conditional pledges receivable are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

Fair Value Measurement

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the “exit price”) in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Organization uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization’s assumptions about assumptions market participants would use in pricing the assets or

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

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

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market 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.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Organization's own assumptions are set to reflect those that the Organization believes market participants would use in pricing the asset or liability at the measurement date.

The Organization has elected to use the measurement alternative for equity securities that do not have readily determinable fair value. Those investments, which include limited partnership interests, are recorded at cost or fair value if received by a contribution, adjusted for observable price changes and any subsequent impairment.

Public Support and Donor Restrictions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statement of activities as net assets released from restrictions. If restrictions over contributions are met in the same reporting period as earned, the Organization reports such contributions as unrestricted support.

Paycheck Protection Program

In an effort to mitigate the uncertainty of the COVID-19 pandemic, on May 4, 2020, the Organization received a loan in the amount of \$20,833 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the qualifying business' average monthly payroll expense. The loan proceeds were primarily used for payroll expenses, and therefore the loan was forgiven on January 28, 2021 and was recognized as a contribution in 2021.

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Fundraising Event Revenue

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event; the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of the direct donor benefits in the statement of activities, statement of functional expenses and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Organization. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, the Organization separately presents in its statement of activities and changes in net assets the exchange and contribution components of the gross proceeds from special events. Special event fees that are collected by the Organization in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after delivery of the event. Special event fees received where the inherent contribution is conditioned on the event taking place are treated as a refundable advance along with the exchange component.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased. Johnny Mac Soldiers Fund, Inc. received the services of an attorney for various consultations, and of marketing and printing professionals for internet presence, promotional materials, brand development and related monitoring.

JOHNNY MAC SOLDIERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services (Continued)

The value of those services is included in the financial statements and is comprised as noted below. Donated printing costs of \$1,760, donated participant gifts of \$2,000, and \$36,218 of food costs are included in direct fundraising expenses.

Marketing	\$ 64,226
Food	36,218
Legal Services	21,000
Printing	11,199
Participant Gifts	<u>2,000</u>
Total	<u>\$ 134,643</u>

Other donated services received that do not meet the criteria for recognition, include a substantial number of volunteers who have donated significant amounts of time on behalf of Johnny Mac Soldiers Fund, Inc.

Allocation of Functional Expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$4,921 for the year ended December 31, 2021.

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Income Taxes

Johnny Mac Soldiers Fund, Inc. is incorporated under the laws of the Commonwealth of Massachusetts. The Organization qualifies as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization had no unrelated business income in 2021. Accordingly, no provision for income taxes is required.

Under the *Income Taxes* accounting standard, an organization should recognize the tax benefit associated with uncertain tax positions taken for tax return purposes only when it is more likely than not the position will be sustained. Management does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits, interest or penalties.

Subsequent Events

Management has evaluated subsequent events through October 26, 2022, the date the financial statements were available to be issued.

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary source of support is contributions. The Organization has a policy to manage its liquidity and reserves by following three principal guidelines, which include operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term goals and obligations will be met. The following reflects the Organization's financial assets as of December 31, 2021. Investments are generally held for long-term purposes but may be approved for use in the short term, if needed.

Cash and Cash Equivalents	\$ 1,843,962
Pledges Receivable	882,543
Other Receivable	4,370
Investments that are Liquid	<u>549,855</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 3,280,730</u>

NOTE 4 PLEDGES RECEIVABLE

As of December 31, 2021, pledges receivable consist of unconditional promises to give by various donors. The collection of pledges is expected as follows:

Due within one year	<u>\$ 882,543</u>
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During 2021, the Organization received a donor commitment whereby the donor would make a donation to Johnny Mac Soldier's Fund, Inc. based on the number of the donor's passenger vehicles wholesaled in the United States during 2021. As the amount of the donation was determinable by the date of these financial statements, this conditional pledge has been fully recognized in 2021.

JOHNNY MAC SOLDIERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 5 INVESTMENTS

Investments are composed of the following at December 31:

Cash and Cash Equivalents	\$ 549,855
Partnership Interest	<u>250,000</u>
Total Investments	<u>\$ 799,855</u>

The Organization's investment performance consists of the following for the year ended December 31, 2021:

Interest and Dividends	\$ 3,027
Distribution from Partnership Interest	247,043
Net Realized and Unrealized Gains	<u>42,872</u>
Total Return on Investments	<u>\$ 292,942</u>

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2021:

	Level 1	Total
Cash and Cash Equivalents	<u>\$ 549,855</u>	<u>\$ 549,855</u>

There have been no changes in the valuation methodologies used.

The partnership interest is not readily transferable as it is not a publicly traded partnership.

NOTE 6 EMPLOYEE BENEFIT PLAN

The Organization has a qualified defined contribution plan to which it contributed \$54,480 for the benefit of its employee.

JOHNNY MAC SOLDIERS FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

(Continued)

NOTE 7 CONCENTRATIONS OF RISK

Cash balances are primarily maintained at one bank and have periodically exceeded the Federal Deposit Insurance Corporation (FDIC) coverage limit. At December 31, 2021, the uninsured cash balance is \$1,469,922. The Organization has not experienced any losses in such accounts.

Pledges receivable from two donors represent 85% of the pledges receivable balance. The amounts pledged from these donors were received in January and April of 2022.

One of the fundraising events held by Johnny Mac Soldiers Fund, Inc. during 2021 generated 19% of the Organization's revenue for the year, and one donor provided 22% of the Organization's support for the year.