



FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.

**FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

**FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Foundation of Orthopedics and Complex Spine, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation of Orthopedics and Complex Spine, Inc. (the "Organization", a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Nawrocki**Smith**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation of Orthopedics and Complex Spine, Inc., as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Melville, New York
October 8, 2020

Nawrocki Smith LLP

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 201,642	\$ 118,093
Investments	134,444	262,273
Contributions receivable, net	229,390	129,920
Cash surrender value of life insurance	310,818	314,952
Security deposits	-	2,580
Furniture and equipment, net	1,069	2,190
Total assets	\$ 877,363	\$ 830,008
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 43,756	\$ 50,468
Total liabilities	43,756	50,468
NET ASSETS:		
Without donor restrictions	439,957	236,341
With donor restrictions	393,650	543,199
Total net assets	833,607	779,540
Total liabilities and net assets	\$ 877,363	\$ 830,008

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

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES:						
Contributions	\$ 269,070	\$ 1,136,557	\$ 1,405,627	\$ 340,992	\$ 1,901,485	\$ 2,242,477
Donated materials	1,779,834	-	1,779,834	347,860	-	347,860
Special events, net	551,069	-	551,069	179,177	-	179,177
Other income	-	-	-	20,248	-	20,248
Net assets released from restrictions	1,286,106	(1,286,106)	-	1,969,470	(1,969,470)	-
Total operating revenues	3,886,079	(149,549)	3,736,530	2,857,747	(67,985)	2,789,762
OPERATING EXPENSES:						
Program services	3,232,149	-	3,232,149	2,620,938	-	2,620,938
Administration	207,315	-	207,315	319,122	-	319,122
Fundraising	247,588	-	247,588	211,740	-	211,740
Total operating expenses	3,687,052	-	3,687,052	3,151,800	-	3,151,800
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES	199,027	(149,549)	49,478	(294,053)	(67,985)	(362,038)
NONOPERATING ACTIVITIES:						
Investment income, net	3,756	-	3,756	2,446	-	2,446
Unrealized gain on investments	833	-	833	3,882	-	3,882
Transfer of asset to FOCOS Ghana	-	-	-	(4,057)	-	(4,057)
INCREASE IN NET ASSETS FROM NONOPERATING ACTIVITIES	4,589	-	4,589	2,271	-	2,271
CHANGE IN NET ASSETS	203,616	(149,549)	54,067	(291,782)	(67,985)	(359,767)
NET ASSETS, BEGINNING OF YEAR	236,341	543,199	779,540	528,123	611,184	1,139,307
NET ASSETS, END OF YEAR	\$ 439,957	\$ 393,650	\$ 833,607	\$ 236,341	\$ 543,199	\$ 779,540

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

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Supporting Services		Total
		Administration	Fundraising	
Donated materials	\$ 1,779,834	\$ -	\$ -	\$ 1,779,834
Support of foreign affiliate - FOCOS Hospital Patient Care	1,074,147	-	-	1,074,147
Support of foreign affiliate - FOCOS Hospital Infrastructure and Support	321,138	-	-	321,138
Salaries	18,420	73,021	73,021	164,462
Professional fees	-	42,593	93,408	136,001
Information technology	4,746	13,351	20,460	38,557
Travel and transportation	12,714	1,399	17,219	31,332
Payroll taxes and employee benefits	3,155	12,509	12,509	28,173
Bad debt	-	19,888	-	19,888
Occupancy	2,459	9,605	7,146	19,210
Dues and subscriptions	9,475	1,845	5,091	16,411
Printing and reproduction	-	46	8,130	8,176
Bank and interest	72	5,709	1,107	6,888
Office supplies	-	3,764	2,908	6,672
Insurance	-	6,619	-	6,619
Meals and entertainment	-	333	5,187	5,520
Fees and licenses	273	4,903	-	5,176
Miscellaneous	-	4,148	602	4,750
Conferences and seminars	4,051	-	-	4,051
Equipment lease	-	3,749	-	3,749
Postage and delivery	1,665	143	800	2,608
Storage	-	2,569	-	2,569
Depreciation	-	1,121	-	1,121
Total expenses	\$ 3,232,149	\$ 207,315	\$ 247,588	\$ 3,687,052

The accompanying notes to financial statements
are an integral part of this statement.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Supporting Services		Total
		Administration	Fundraising	
Support of foreign affiliate - FOCOS Hospital Infrastructure and Support	\$ 1,186,396	\$ -	\$ -	\$ 1,186,396
Support of foreign affiliate - FOCOS Hospital Patient Care	1,036,780	-	-	1,036,780
Donated materials	347,860	-	-	347,860
Salaries	30,612	121,354	121,354	273,320
Payroll taxes and employee benefits	7,253	28,752	28,752	64,757
Consultants	-	38,283	19,286	57,569
Travel and transportation	1,167	28,373	12,124	41,664
Occupancy	4,612	18,014	13,403	36,029
Website	-	29,414	-	29,414
Fees and licenses	-	4,914	9,006	13,920
Office supplies	758	10,320	414	11,492
Dues and subscriptions	-	4,038	7,401	11,439
Miscellaneous	-	9,373	-	9,373
Insurance	-	7,540	-	7,540
Grants	5,500	-	-	5,500
Accounting	-	4,414	-	4,414
Telephone	-	3,666	-	3,666
Postage and delivery	-	3,248	-	3,248
Meals and entertainment	-	2,437	-	2,437
Legal	-	2,000	-	2,000
Depreciation	-	1,386	-	1,386
Printing and reproduction	-	1,136	-	1,136
Bad debt	-	460	-	460
Total expenses	\$ 2,620,938	\$ 319,122	\$ 211,740	\$ 3,151,800

The accompanying notes to financial statements
are an integral part of this statement.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 54,067	\$ (359,767)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Provision for bad debts	19,888	460
Depreciation	1,121	1,386
Unrealized gain on investments	(833)	(3,882)
Decrease (increase) in value of investment in life insurance	4,134	(20,248)
(Increase) decrease in contributions receivable	(119,358)	42,218
Decrease in security deposits	2,580	7,826
Decrease in prepaid expenses	-	5,000
Decrease in accounts payable and accrued expenses	(6,712)	(8,626)
	(45,113)	(335,633)
Net cash used by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	-	(84,121)
Sales of investments	128,662	237,599
	128,662	153,478
Net cash provided by investing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	83,549	(182,155)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	118,093	300,248
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 201,642	\$ 118,093
CASH PAID DURING THE YEAR FOR:		
Interest	\$ -	\$ 87

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

**FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS**

(1) Nature of activities:

Foundation of Orthopedics and Complex Spine, Inc. (the "Organization") was organized and incorporated in 1998. The primary purpose of the Organization is to provide comprehensive and affordable orthopedic care to underserved communities in Africa and throughout the world. By providing direct care at the Foundation of Orthopedics and Complex Spine ("FOCOS Ghana"), West Africa, the Organization services both adult and pediatric patients with varying orthopedic deformities and injuries. The Organization also acquires research and knowledge related to various orthopedic and spinal disorders in order to advance the diagnosis, treatment, and preventative care of injuries and disease to the musculoskeletal system.

(2) Summary of significant accounting policies:

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Organization.

Basis of accounting and financial statement presentation -

The accompanying financial statements include the accounts of the Organization's programs, administration and fundraising. The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles, which require that the Organization's financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Organization's net assets consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As required by U.S. generally accepted accounting principles, the Organization has also presented Statements of Cash Flows for the years ended December 31, 2019 and 2018.

Cash and cash equivalents -

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Contributions receivable, net -

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Contributions receivable are presented in the Statement of Financial Position, net of an allowance for uncollectible amounts. The allowance is estimated by management based on the Organization's prior years' experience and evaluation of the collectability of individual accounts.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(2) **Summary of significant accounting policies (continued):**

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization follows U.S. generally accepted accounting principles regarding fair value measurements which establish a fair value hierarchy requiring an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring 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).

Cash surrender value of life insurance -

The Organization has several life insurance policies which are reported at their cash surrender values.

Furniture and equipment -

Furniture and equipment in excess of \$500 are capitalized at cost or, if donated, at fair market value as of the date of receipt. Depreciation of property and equipment is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 10 years.

Impairment of long-lived assets and long-lived assets to be disposed -

The Organization follows the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or disposal of long-lived assets which require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These principles did not have a material impact on the Organization's financial position, results of activities or liquidity during the years ended December 31, 2019 and 2018.

Revenue recognition -

Effective January 1, 2019, the Organization adopted FASB Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The new guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(2) Summary of significant accounting policies (continued):

Effective January 1, 2019, the Organization adopted FASB Accounting Standards Update (“ASU”) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The new guidance clarifies and improves guidance on whether a transfer of assets is a contribution or an exchange and whether a contribution is conditional. The Organization applied the modified retrospective method of adoption, which resulted in no adjustment to net assets as of January 1, 2019.

The following are the significant revenue recognition accounting policies of the Organization:

Contributions - Contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. 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 Statements of Activities and Changes in Net Assets as net assets released from restriction. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

Donated materials -

Donated materials are stated at fair value. Donated materials include drugs and medical supplies. The Organization reports gifts of equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support.

Functional expenses -

Expenses are recognized when incurred. The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program expenses are reported in their respective functional categories. The significant expenses that are allocated include: salaries, payroll taxes and employee benefits which are allocated on the basis of estimates of time and effort. All other expenses are allocated on a systematic and rational basis.

Income taxes -

The Organization qualifies as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(2) Summary of significant accounting policies (continued):

Uncertainty in income taxes -

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to examination by the applicable taxing jurisdictions for tax years prior to 2016.

Use of estimates in the preparation of financial statements -

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

(3) Liquidity and availability:

Financial assets available for general expenditure, within one year of the Statements of Financial Position date, are comprised of the following:

	2019	2018
Cash and cash equivalents	\$ 201,642	\$ 118,093
Investments	134,444	262,273
Contributions receivable, net	229,390	129,920
Financial assets available to meet cash needs for general expenditures within one year	\$ 565,476	\$ 510,286

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(4) Fair value measurement:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(4) Fair value measurement (continued):

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The Organization's investments as of December 31, 2019 and 2018, are comprised of the following:

	2019		
	Level 1	Level 2	Level 3
Fixed income	\$ 118,794	\$ -	\$ -
U.S. equities	10,267	-	-
Money market	5,383	-	-
	\$ 134,444	\$ -	\$ -
Total investments	\$ 134,444	\$ -	\$ -
	2018		
	Level 1	Level 2	Level 3
Fixed income	\$ 252,816	\$ -	\$ -
U.S. equities	4,977	-	-
Money market	4,480	-	-
	\$ 262,273	\$ -	\$ -
Total investments	\$ 262,273	\$ -	\$ -

As of December 31, 2019 and 2018, the Organization did not possess any level 2 or 3 type of investments.

(5) Contributions receivable, net:

Contributions receivable as of December 31, 2019 and 2018 was \$291,098 and \$171,630, respectively. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of a donor to meet their obligations. As of December 31, 2019 and 2018, the allowance for contributions receivable totaled \$61,598 and \$41,710, respectively. This resulted in a net contributions receivable as of December 31, 2019 and 2018 of \$229,390 and \$129,920, respectively.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(6) Cash surrender value of life insurance:

The Organization maintains two life insurance policies on the founder and President of the Organization, for which the Organization is the beneficiary. The face value and cash surrender value included in the financial statements as of December 31, 2019 and 2018 were:

Policy	Face Value	Cash Surrender Value	
		2019	2018
MetLife	\$ 1,000,000	\$ 200,427	\$ 207,174
John Hancock	500,000	110,391	107,778
		\$ 310,818	\$ 314,952

(7) Furniture and equipment:

Furniture and equipment as of December 31, 2019 and 2018 are comprised of the following:

	2019	2018
Office equipment	\$ 49,406	\$ 49,406
Less: accumulated depreciation	48,337	47,216
	\$ 1,069	\$ 2,190

Depreciation expense for the years ended December 31, 2019 and 2018 was \$1,121 and \$1,386, respectively.

(8) Related party transactions:

For the years ended December 31, 2019 and 2018, contributions totaling \$37,000 and \$58,245 respectively, were received from members of the Board of Directors.

Effective January 1, 2002, the Board of Directors of the Organization spun off FOCOS Ghana, an affiliated organization incorporated in Ghana. FOCOS Ghana was established to provide total orthopedic and spine care for the people of Ghana and the surrounding countries. Some members of the Board of Directors of the Organization are also members of the Board of Directors of FOCOS Ghana. During the years December 31, 2019 and 2018, the support provided by the Organization to FOCOS Ghana consisted of grants totaling \$1,034,119 and \$2,223,176, respectively, and donated materials totaling \$1,779,834 and \$347,860, respectively.

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(9) Net assets with donor restrictions:

As of December 31, 2019 and 2018, net assets with donor restrictions are restricted for the following purposes:

	2019	2018
Children's Ward	\$ 189,139	\$ 189,139
JCI Renovation and Sponsorship	48,074	-
Sierra Leone Patients	44,539	74,539
Support for Missions	40,900	900
Ethiopian Patients	35,130	81,145
K2M Program	11,520	11,520
Research Grant	10,000	10,000
Patient Sponsorship	5,225	5,100
Specific Patient	4,316	5,316
Hospital Operations	2,840	2,840
Ghana Gala	761	-
Endowment	706	-
Solar Project	300	45,000
Development	200	200
Tanzanian Patients	-	38,500
Stabilizer Fund	-	55,000
Patients Education Fund	-	24,000
	<u> </u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 393,650</u>	<u>\$ 543,199</u>

For the year ended December 31, 2019 and 2018, net assets were released from donor restrictions by satisfying the following restricted purposes:

	2019	2018
Ethiopian Patients	\$ 622,195	\$ 738,200
JCI Renovation and Sponsorship	301,926	-
Sierra Leone Patients	125,000	85,000
Stabilizer Fund	55,000	-
Patient Sponsorship	47,000	-
Solar Project	46,700	1,000,000
Tanzanian Patients	38,500	-
Patients Education Fund	24,000	-
Specific Patient	16,785	61,559
Ghana Gala	9,000	-
Children's Ward	-	67,332
Research Grant	-	17,379
	<u> </u>	<u> </u>
Total	<u>\$ 1,286,106</u>	<u>\$ 1,969,470</u>

FOUNDATION OF ORTHOPEDICS AND COMPLEX SPINE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(10) Concentrations of credit risk:

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

For the years ended December 31, 2019 and 2018, one donor accounted for 22% and 45% of total contributions, respectively. The highest three donors accounted for approximately 56% and 62% of net contributions receivable as of December 31, 2019 and 2018, respectively.

(11) Commitments and contingencies:

Future minimum lease commitments -

The Organization is obligated under various operating leases for certain office equipment expiring through fiscal 2021.

The future minimum lease payments under these leases are as follows:

Year <u>Ending December 31,</u>	
2020	\$ 2,652
2021	<u>151</u>
	<u>\$ 2,803</u>

(12) Subsequent events:

The Organization has evaluated subsequent events through October 8, 2020, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined the following subsequent event has occurred, which requires disclosure in the financial statements:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the Organization, COVID-19 may impact various parts of its 2020 operations and financial results, including the receipt of contributions, disruption to special events and collections on outstanding contributions receivable. In addition, both domestic and international equity markets have shown increased volatility since December 31, 2019. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurring subsequent to year-end are still developing.