

**THE JESSE HELMS CENTER  
FOUNDATION**

**Audited Financial Statements**

**December 31, 2019 and 2018**

**THE JESSE HELMS CENTER FOUNDATION**

**Wingate, North Carolina**

**Audited**

**Financial Statements**

**As Of**

**December 31, 2019 and 2018**

**And For**

**The Years Then Ended**

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## CONTENTS

<b>Independent Auditors' Report</b> .....	2 - 3
<b>Financial Statements</b>	
Statements Of Financial Position .....	4
Statements Of Activities.....	5
Statements Of Functional Expenses.....	6 - 7
Statements Of Cash Flows .....	8
<b>Notes To Financial Statements</b> .....	9 - 16



**POTTER & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**The Jesse Helms Center Foundation**  
Wingate, North Carolina

**Report on the Financial Statement**

We have audited the accompanying financial statements of **The Jesse Helms Center Foundation**, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, statements of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' 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 from material misstatement.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Jesse Helms Center Foundation** 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.

*Potter & Company*

Monroe, North Carolina  
April 21, 2020

**THE JESSE HELMS CENTER FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
*December 31, 2019 and 2018*

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,033,471	\$ 590,611
Money market funds	244,957	151,916
Pledges receivable	<u>5,000</u>	<u>5,000</u>
Total Current Assets	<u>1,283,428</u>	<u>747,527</u>
<b>NON CURRENT ASSETS PLEDGES RECEIVABLE</b>	<u>9,249</u>	<u>9,249</u>
<b>INVESTMENTS</b>	<u>6,308,225</u>	<u>5,659,362</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	526,476	526,476
Building	4,526,425	4,526,425
Vehicles	9,250	9,250
Equipment, furniture and exhibits	<u>856,448</u>	<u>856,448</u>
	5,918,599	5,918,599
Less accumulated depreciation	<u>3,446,667</u>	<u>3,308,999</u>
Total Property and Equipment, Net	<u>2,471,932</u>	<u>2,609,600</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,072,834</u>	<u>\$ 9,025,738</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of capital lease payable	\$ 1,250	\$ 1,250
Accounts payable	<u>13,889</u>	<u>15,409</u>
Total Current Liabilities	<u>15,139</u>	<u>16,659</u>
<b>NET ASSETS</b>		
Without donor restrictions	<u>10,057,695</u>	<u>9,009,079</u>
Total Net Assets	<u>10,057,695</u>	<u>9,009,079</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,072,834</u>	<u>\$ 9,025,738</u>

*See Accompanying Notes To Financial Statements.*

**THE JESSE HELMS CENTER FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
*December 31, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND OTHER SUPPORT		
Contributions	\$ 1,013,531	\$ 640,480
Facility rental	23,600	21,750
Special events, net	(1,090)	29,041
Miscellaneous income	45,657	35,525
Interest and dividend income	183,001	165,178
Net gain/(loss) on investments	<u>865,990</u>	<u>(526,399)</u>
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	<u>2,130,689</u>	<u>365,575</u>
Net assets released from restrictions:		
Collections on pledges outstanding	<u>-</u>	<u>40,600</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>-</u>	<u>40,600</u>
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>2,130,689</u>	<u>406,175</u>
EXPENSES		
Programs	869,756	743,524
Administrative	110,835	108,385
Fundraising	<u>101,482</u>	<u>139,683</u>
TOTAL EXPENSES	<u>1,082,073</u>	<u>991,592</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,048,616</u>	<u>(585,417)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions		
Net assets released from restrictions	<u>-</u>	<u>(40,600)</u>
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>-</u>	<u>(40,600)</u>
INCREASE/(DECREASE) IN TOTAL NET ASSETS	1,048,616	(626,017)
Net Assets - Beginning of Year	<u>9,009,079</u>	<u>9,635,096</u>
Net Assets - End of Year	<u>\$ 10,057,695</u>	<u>\$ 9,009,079</u>

*See Accompanying Notes To Financial Statements.*

**THE JESSE HELMS CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

*For The Year Ended December 31, 2019*

	<u>Programs</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Preservation of papers & memorabilia	\$ 80,887	\$ -	\$ -	\$ 80,887
Publications	10,558	-	-	10,558
Educational projects	281,825	-	-	281,825
Board of Directors' expense	-	1,828	-	1,828
Lodging and meals	-	563	2,603	3,166
Occupancy	-	4,848	2,350	7,198
Postage	-	829	798	1,627
Professional fees	-	18,358	-	18,358
Registration fees and dues	-	1,200	-	1,200
Salaries and benefits	372,585	61,851	61,334	495,770
Subscriptions	-	984	4,994	5,978
Supplies	-	1,648	1,506	3,154
Telephone	-	3,992	1,878	5,870
Training	-	432	-	432
Miscellaneous	-	535	-	535
Brochures and printing	-	-	1,051	1,051
Marketing	-	-	12,467	12,467
Merchant fees	-	-	832	832
Special events	-	-	808	808
State registration fees	-	-	4,133	4,133
Transportation	-	-	6,728	6,728
Total Expenses				
Before Depreciation	745,855	97,068	101,482	944,405
Depreciation Expense	123,901	13,767	-	137,668
Total Expenses	\$ 869,756	\$ 110,835	\$ 101,482	\$ 1,082,073

*See Accompanying Notes To Financial Statements.*



**THE JESSE HELMS CENTER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For The Year Ended December 31, 2018**

	<u>Programs</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Preservation of papers & memorabilia	\$ 67,641	\$ -	\$ -	\$ 67,641
Publications	9,700	-	-	9,700
Educational projects	211,808	-	-	211,808
Board of Directors' expense	-	1,154	-	1,154
Honoraria, awards and gifts	-	1,490	-	1,490
Lodging and meals	-	82	1,611	1,693
Occupancy	-	4,217	2,732	6,949
Postage	-	1,020	879	1,899
Professional fees	-	16,612	-	16,612
Registration fees and dues	-	1,273	-	1,273
Salaries and benefits	330,435	62,247	84,565	477,247
Subscriptions	-	975	1,941	2,916
Supplies	-	1,000	714	1,714
Telephone	-	4,095	1,927	6,022
Training	-	258	-	258
Miscellaneous	-	191	-	191
Brochures and printing	-	-	1,332	1,332
Marketing	-	-	10,346	10,346
Merchant fees	-	-	861	861
Planned giving	-	-	1,944	1,944
Special events	-	-	21,315	21,315
State registration fees	-	-	3,997	3,997
Transportation	-	-	5,519	5,519
<b>Total Expenses</b>				
Before Depreciation	619,584	94,614	139,683	853,881
Depreciation Expense	123,940	13,771	-	137,711
<b>Total Expenses</b>	<u>\$ 743,524</u>	<u>\$ 108,385</u>	<u>\$ 139,683</u>	<u>\$ 991,592</u>

*See Accompanying Notes To Financial Statements.*

**THE JESSE HELMS CENTER FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
*For The Years Ended December 31, 2019 and 2018*

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,048,616	\$ (626,017)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	137,668	137,711
(Gain) loss on investments	(865,990)	526,399
Decrease in unconditional promises to give	-	40,600
Increase (decrease) in accounts payable	(1,520)	5,524
	<u>318,774</u>	<u>84,217</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	862,832	1,245,705
Purchase of investments	(642,705)	(1,248,581)
Purchase of fixed assets	-	(5,851)
	<u>220,127</u>	<u>(8,727)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease payable	(3,000)	(3,000)
	<u>(3,000)</u>	<u>(3,000)</u>
 Net Increase In Cash and Money Market Funds	535,901	72,490
 Cash and Money Market Funds - Beginning	<u>742,527</u>	<u>670,037</u>
 Cash and Money Market Funds - Ending	<u>\$ 1,278,428</u>	<u>\$ 742,527</u>

*See Accompanying Notes To Financial Statements.*

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

NOTE 1 - **SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Organization and Operations***

The Jesse Helms Center Foundation (organized in 1988) is a nonprofit organization whose main purpose is to raise financial support to establish and sustain The Jesse Helms Center in Wingate, North Carolina. The operations of the Foundation are financed predominately by private contributions and investment earnings.

***Financial Statement Presentation***

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 and disclosures. Accordingly, actual results could differ from those estimates.

Financial statement presentation follows the accounting standards requirements for not-for-profit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to two classes of net assets depending on the existence and/or nature of any donor restrictions: net assets without donor restrictions and net assets with donor restrictions.

***Concentrations of Credit Risk***

The Foundation maintains its cash balances in reputable financial institutions. The Federal Deposit Insurance Corporation (FDIC) covers up to \$250,000 for substantially all depository accounts. At December 31, 2019 and 2018 the Foundation had amounts on deposit in excess of insured amounts by \$545,979 and \$113,891, respectively. The Foundation periodically assesses the financial condition of the institutions holding cash balances and believes the risk of loss to be remote.

***Pledges receivable***

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 their fair value, which is measured at the present value of their future cash flows. The discounts on pledges receivable are computed using a rate commensurate with the risk of the pledges receivable in accordance with fair value accounting standards. Conditional promises to give are not included as support until the conditions are substantially met.

The Foundation uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made. Management believes that no allowance is necessary at either December 31, 2019 or 2018.

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

NOTE 1 - **SIGNIFICANT ACCOUNTING POLICIES** - Continued

***Investments***

Investments are presented in the financial statements at fair market value. Debt and equity securities are valued at quoted market prices and have readily determinable fair values. Certain Foundation investments are held in an investment pool that invests in the securities of companies and other investments that may not be immediately liquid. The investment pool follows the valuation guidelines stipulated by the respective agreements.

Net gain (loss) on investment represents the net unrealized appreciation or depreciation on holding investments combined with the net realized gain or loss on sale of investments. Income earned on investments held in the investment pool is shared on a pro-rata basis by the participating funds based on their respective fund balances.

***Property and Equipment***

Property and equipment is stated at cost, if purchased. Contributions of property and equipment are recorded at their estimated fair value, in accordance with donor stipulations in the year of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Depreciation expense was \$137,668 and \$137,711 for the years ended December 31, 2019 and 2018, respectively.

***Recognition of Revenue***

Contributions of cash and other assets are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

***Income Taxes***

The Foundation is a not-for-profit organization that is exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3), except for amounts representing unrelated business income. In addition, the Foundation has been determined by the Internal Revenue Service not to be a Private Foundation within the meaning of Section 509(a) of the code.

Rental income less related expenses is taxable as unrelated business income. For the years ended December 31, 2019 and 2018, the Foundation had a gain from unrelated business activities, resulting in income tax due. However, The Foundation has federal and state tax loss carryforwards of \$93,391 available to offset future taxable unrelated business income. These loss carryforwards expire after 20 years for federal tax purposes and 15 years for state tax purposes.

***Uncertain Tax Positions***

The Foundation has no uncertain tax positions at December 31, 2019 and 2018. The Foundation U.S. federal income tax returns prior to 2016 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

NOTE 1 - **SIGNIFICANT ACCOUNTING POLICIES** – Continued

For the years ended December 31, 2019 and 2018, the Foundation did not recognize any interest and penalties associated with tax matters.

***Functional Allocation of Expenses***

The costs of providing the various programs and activities are summarized on a functional basis in the Statement of Activities. Accordingly, certain costs are allocated among the programs and support services benefited. These costs are allocated among program, fundraising and administrative expenses.

Administrative expenses are allocated based upon the purpose of the expense and if it relates to any specific program or fundraising efforts. Management reviews percentages each year for any necessary changes. Payroll related expenses are allocated based on time spent by each employee related to programs, fundraising and administrative tasks. The allocation is determined annually by management based on a review of time spent for each employee. Expenses are allocated based on the estimated percentage of time spent on the separate programs.

***Statement of Cash Flows***

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

***Collections***

The Foundation does not capitalize collection items acquired either through purchase or donation. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the financial statements. The Foundation is the official repository for the papers of former U.S. Senator Jesse Helms and for memorabilia given to him during his terms as U.S. Senator.

***Marketing Costs***

Marketing costs are expensed as incurred.

***Risks and Uncertainties***

The Foundation invests in investment securities which are exposed to various risks such as interest rate, market, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

***Reclassifications***

It is the Foundation's policy to reclassify prior year amounts when necessary for conformity with classification adopted in the current year with no change in total net assets or changes in net assets.

***Subsequent Events***

Management has evaluated subsequent events through April 21, 2020, the date the financial statements were available to be issued.

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 2 - PLEDGES RECEIVABLE**

Pledges receivable consist of unconditional promises to give. As of December 31, 2019 and 2018 pledges due were as follows:

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 5,000	\$ 5,000
One to five years	<u>10,000</u>	<u>10,000</u>
Pledges receivable, gross	15,000	15,000
Less: amount to reduce to present value (discount rate 2%)	<u>(751)</u>	<u>(751)</u>
Net present value of pledges receivable	\$ <u>14,249</u>	\$ <u>14,249</u>

**NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As of December 31, 2019 and 2018, there are limited donor restrictions placed against net assets and no amounts designated by the Board of Trustees for future use. The Foundation funds operations through current year revenues and has the ability to use cash and investment balances to fund any cash flow shortages if needed.

**NOTE 4 - INVESTMENTS**

Investments are comprised of the following:

	<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Bonds	\$ 756,444	\$ 758,388	\$ 1,944
Equities	3,201,741	4,488,529	1,286,788
Mutual funds	732,643	695,647	(36,996)
NCCF Investment pool	<u>228,985</u>	<u>365,661</u>	<u>136,676</u>
Total	\$ <u>4,919,813</u>	\$ <u>6,308,225</u>	\$ <u>1,388,412</u>
	<u>December 31, 2018</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Bonds	\$ 931,444	\$ 919,688	\$ (11,756)
Equities	3,239,494	3,742,050	502,556
Mutual funds	749,081	674,568	(74,513)
NCCF Investment pool	<u>230,452</u>	<u>323,056</u>	<u>92,604</u>
Total	\$ <u>5,150,471</u>	\$ <u>5,659,362</u>	\$ <u>508,891</u>

Investment fees associated with all investments were \$71,896 and \$58,601 for the years ended December 31, 2019 and 2018, respectively.

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

NOTE 5 - **FAIR VALUE MEASUREMENTS**

Professional accounting standards establish a framework for measuring fair value. That framework provides 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 unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

**Level 2** – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and maximize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2019 and 2018.

**Debt and equity securities:** Valued at quoted market values based on an active market.

**Mutual funds:** Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

**Collective Investment Fund Account:** Valued at fair value of the pro-rata share in the collective investments. The collective investment fund account is maintained by the North Carolina Community Foundation (NCCF). The collective investment fund account is comprised of domestic and international equities, fixed income investments, alternative investment strategies, all of which are publicly traded, and cash. Participant ownership is measured using the pro-rata share method. The fair value is calculated based on the pro-rata share held in the collective investment fund account.

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 5 - FAIR VALUE MEASUREMENTS – Continued**

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2019 and 2018.

	Assets at Fair Value as of December 31, 2019		
	Level 1	Level 2	Total
NCCF investment pool	\$ 346,126	\$ 19,535	\$ 365,661
Debt and equity securities	5,246,917	-	5,246,917
Mutual funds	695,647	-	695,647
Total assets at fair value	\$ 6,288,690	\$ 19,535	\$ 6,308,225

	Assets at Fair Value as of December 31, 2018		
	Level 1	Level 2	Total
NCCF investment pool	\$ 305,797	\$ 17,259	\$ 323,056
Debt and equity securities	4,661,739	-	4,661,739
Mutual funds	674,567	-	674,567
Total assets at fair value	\$ 5,642,103	\$ 17,259	\$ 5,659,362

**NOTE 6 - PENSION PLAN**

The Foundation has a 403(b) annuity pension plan. The Foundation matches employee contributions up to 5% of their salary. Pension expense for the years ended December 31, 2019 and 2018 was \$15,900 and \$17,074, respectively.

**NOTE 7 - LEASE COMMITMENTS - OPERATING**

The Foundation leased office equipment under operating leases originally set to expire in 2017. The lease, with added additional equipment, was renewed and is currently set to expire in 2024. Lease expense for the years ended December 31, 2019 and 2018 was \$7,606 and \$6,711, respectively. Future minimum lease payments are as follows:

2020	\$	8,460
2021		8,460
2022		8,460
2023		8,460
2024		3,525
	\$	<u>37,365</u>



**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 8 - CAPITAL LEASE PAYABLE**

The Foundation has a capital lease payable with an auto dealership for \$9,250. Payments of \$250 are due monthly beginning May 12, 2016 through May 2020. The balance on the capital lease payable was \$1,250 for the years ended December 31, 2019 and 2018, respectively.

Maturities of the capital lease payable are as follows:

2020	\$	<u>1,250</u>
	\$	<u>1,250</u>

**NOTE 9 - IN-KIND CONTRIBUTIONS**

The fair value of the in-kind contributions and related expense for the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Support		
In-kind contributions – facility usage	\$ <u>8,352</u>	\$ <u>10,912</u>
Expenses		
Facility usage - Free Enterprise Leadership Challenge	\$ <u>8,352</u>	\$ <u>10,912</u>

**NOTE 10 - SPECIAL EVENTS**

The Foundation held two major special events in 2019 and held three major special events in 2018. The net revenue from the December 31, 2019 and 2018 special events was as follows:

	<u>2019</u>	<u>2018</u>
Gross revenues from special events	\$ 31,050	\$ 109,975
Less: Costs of direct benefits to donors	<u>32,140</u>	<u>80,934</u>
Net revenues from special events	\$ <u>(1,090)</u>	\$ <u>29,041</u>

**THE JESSE HELMS CENTER FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

**NOTE 11 - CONTRACT AGREEMENT**

During the 2016 year, Wingate University and the Foundation agreed that the University would undertake the employment of the archivist, including paying all expense of employment, and to also pay to the Foundation the sum of \$20,000 annually, to help defray the expense of maintaining the papers and archives. The Foundation agreed to continue to maintain and house the papers and archives.

The initial agreement was for a term of three years, and expired on August 31, 2019. Per the contract terms, unless either party gives written notice of non-renewal to the other party at least 60 days before the expiration of the initial term, the agreement will automatically renew for an additional term of one year, and shall thereafter continue to renew for successive one-year terms unless either party gives the other party written notice of non-renewal at least 60 days before the expiration of the then-current term. Either party may terminate the agreement at any time by giving the other party at least 60 days advance written notice of termination.

During the year, the contract reached the expiration of the initial term. Neither party gave written notice of non-renewal; therefore, the contract shall continue and is set to expire on August 31, 2020.

**NOTE 12 - SUBSEQUENT EVENTS**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundation’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation and its potential impact on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global resources to curb its spread, the Foundation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.