



Financial Statement
December 31, 2018

FOR A GOOD KOSS: THE SARAH S. KOSS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
Year Ended December 31, 2018

	2017	2018
Assets		
Cash and cash equivalents	\$ —	\$ 5,417
Accounts receivable	—	—
Promises to give	—	—
Property and equipment	—	—
Short-term investments	—	—
Long-term investments	—	—
Merchandise and promotional item inventory	—	141
TOTAL ASSETS	\$ —	\$ 5,558
Liabilities and Net Assets		
Accounts payable	—	—
Long-term debt	—	—
Compensation	—	—
TOTAL LIABILITIES	—	—
Net Assets		
Without donor restrictions	—	5,558
With donor restrictions	—	—
TOTAL NET ASSETS	—	5,558
TOTAL LIABILITIES AND NET ASSETS	\$ —	\$ 5,558

FOR A GOOD KOSS: THE SARAH S. KOSS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions			
Individual	\$ 8,080	\$ —	\$ 8,080
Matching	—	—	—
Corporate partnerships			
Amazon Smile	45	—	45
Event fees	—	—	—
Merchandise and promotional inventory	141	—	141
Net assets released from restrictions	—	—	—
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	8,266	—	8,266
EXPENSES			
Advertising			
Materials	—	—	—
Digital	—	—	—
Banking	7	—	7
Events			
Equipment	500	—	500
Insurance	179	—	179
Materials	216	—	216
Operations / Fees	525	—	525
Information Technology	—	—	—
Legal	—	—	—
Merchandise	281	—	281
Non-profit Contributions	—	—	—
Promotional Items	—	—	—
Scholarships	1,000	—	1,000
TOTAL EXPENSES	2,708	—	2,708
CHANGE IN NET ASSETS	5,558	—	5,558
NET ASSETS AT BEGINNING OF YEAR	—	—	—
NET ASSETS AT END OF YEAR	\$ 5,558	\$ —	\$ 5,558

FOR A GOOD KOSS: THE SARAH S. KOSS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program Services		Supporting Services		Total
	Scholarship	Education Events	Management and General	Fundraising	
Compensation					
Salaries and wages	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Benefits	—	—	—	—	—
Payroll Taxes	—	—	—	—	—
	—	—	—	—	—
Advertising					
Materials	—	—	—	—	—
Digital	—	—	—	—	—
Banking	—	—	7	—	7
Events					
Equipment	—	500	—	—	500
Insurance	—	179	—	—	179
Materials	—	216	—	—	216
Operations / Fees	—	525	—	—	525
Information Technology	—	—	—	—	—
Legal	—	—	—	—	—
Merchandise	—	—	281	—	281
Non-profit Contributions	—	—	—	—	—
Promotional Items	—	—	—	—	—
Scholarships	—	—	—	—	—
Other	—	—	—	—	—
	1,000	—	—	—	—
TOTAL	<u>\$ 1,000</u>	<u>\$ 1,420</u>	<u>\$ 288</u>	<u>\$ —</u>	<u>\$ 2,708</u>

FOR A GOOD KOSS: THE SARAH S. KOSS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2018

	2017	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ —	\$ 8,080
Matching contributions received	—	—
Corporate program receipts	—	45
Event receipts	—	—
Other cash receipts	—	—
Payments for salaries, benefits, and payroll taxes	—	—
Payments to vendors	—	(1,529)
Payments for scholarships	—	(1,000)
Other payments	—	(179)
NET CASH PROVIDED BY OPERATING ACTIVITIES	—	5,417
CASH FLOWS FROM INVESTING ACTIVITIES		
Short-term investments	—	—
Payments for property and equipment	—	—
NET CASH USED FOR INVESTING ACTIVITIES	—	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments	—	—
NET CASH FROM FINANCING ACTIVITIES	—	—
NET CHANGE IN CASH AND CASH EQUIVALENT	—	5,417
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	—	—
CASH AND CASH EQUIVALENT, END OF YEAR	\$ —	\$ 5,417

FOR A GOOD KOSS: THE SARAH S. KOSS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

For A Good Koss: The Sarah S. Koss Foundation, Inc. (“the Organization”) is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The Organization is established with a vision of “All children have the opportunity to learn in their unique way”. To accomplish this, the Organization has a mission of “Inspiring children to be curious through kind, creative, and joyful education programs.”

The Organization realizes the vision and mission through awarding scholarships to K-12 students, holding free educational events, and supporting other non-profits which align with the vision and mission.

The Organization was formed in 2017 and first conducted operations in 2018. This financial statement is the first financial statement of the Organization.

Promises To Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in restricted net assets.

When a restriction expires, restricted net assets are reclassified to unrestricted net assets. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

Contributed Services

During the year ending December 31, 2018, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents’ facilities. The Organization receives approximately 100 volunteer hours per year.

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 those estimates.

Property and Equipment

The organization capitalizes all property and equipment with a cost of \$2,000 if purchased, and a fair value of \$2,000 at date of donation if received by contribution. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Property and equipment are depreciated using the straight-line method.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

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

NOTE 2—PROPERTY AND EQUIPMENT

The Organization currently does not have any property or equipment that has crossed the threshold for capitalization.