

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Minneapolis Heart Institute Foundation  
Minneapolis, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Minneapolis Heart Institute Foundation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 Minneapolis Heart Institute Foundation as of December 31, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minneapolis Heart Institute Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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.

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 Minneapolis Heart Institute Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' 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 auditors' 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 U.S. GAAS 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 U.S. GAAS, 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 Minneapolis Heart Institute Foundation'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 Minneapolis Heart Institute Foundation's ability to continue as a going concern for a reasonable period of time.

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.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of operations is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 19, 2022

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 11,124,872	\$ 8,246,283
Investments (Note 3)	33,506,515	28,477,553
Contributions Receivable	88,620	481,713
Pledges Receivable, Net (Notes 5 and 7)	7,407,973	9,785,286
Other Receivables, Net of Allowance of \$98,439 in 2021 and 2020	2,927,293	2,359,265
Other Assets	281,296	179,085
Property and Equipment, Net (Note 6)	1,767,450	1,990,985
Total Assets	\$ 57,104,019	\$ 51,520,170
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 392,766	\$ 407,854
Accrued Payroll Costs	633,536	514,237
Accrued Pension	444,377	444,218
Amounts Due for Research and Study Costs	552,619	492,086
Deferred Rent	948,293	1,044,675
Deferred Revenues (Note 2)	401,948	314,026
Line of Credit (Note 15)	-	1,000,000
Total Liabilities	3,373,539	4,217,096
<b>NET ASSETS</b>		
Without Donor Restrictions (Note 9)	12,844,788	8,726,938
With Donor Restrictions (Note 10):		
General Support - Restricted for Time	356,833	500,266
Restricted Endowment Income	10,568,953	8,770,877
Research and Education Projects	16,808,801	16,175,715
Perpetual in Nature	13,151,105	13,129,278
Total With Donor Restrictions	40,885,692	38,576,136
Total Net Assets	53,730,480	47,303,074
Total Liabilities and Net Assets	\$ 57,104,019	\$ 51,520,170

See accompanying Notes to Financial Statements.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>						
Contributions	\$ 4,485,189	\$ 3,223,980	\$ 7,709,169	\$ 4,040,087	\$ 7,586,593	\$ 11,626,680
Special Events, Net of Expenses of \$49,653 in 2021 and \$-0- in 2020	1,058	-	1,058	-	-	-
Grants	225,044	345,043	570,087	567,093	196,272	763,365
Payroll Protection Program Grant	1,342,500	-	1,342,500	1,342,500	-	1,342,500
Employee Retention Credit Grant	1,071,559	-	1,071,559	-	-	-
Research Study Revenues	5,398,807	-	5,398,807	4,462,851	-	4,462,851
Income from Services	202,815	-	202,815	244,560	-	244,560
Investment Gain (Note 3)	675,013	2,568,161	3,243,174	686,535	2,720,320	3,406,855
Contribution Loss	-	(8,000)	(8,000)	-	-	-
Net Assets Released from Restrictions (Note 10)	3,819,628	(3,819,628)	-	2,913,419	(2,913,419)	-
Total Support and Revenues	<u>17,221,613</u>	<u>2,309,556</u>	<u>19,531,169</u>	<u>14,257,045</u>	<u>7,589,766</u>	<u>21,846,811</u>
<b>EXPENSES</b>						
Program Services:						
Education	411,038	-	411,038	479,409	-	479,409
Research	8,452,174	-	8,452,174	7,872,371	-	7,872,371
Total Program Services	<u>8,863,212</u>	<u>-</u>	<u>8,863,212</u>	<u>8,351,780</u>	<u>-</u>	<u>8,351,780</u>
Fundraising	1,444,147	-	1,444,147	1,179,350	-	1,179,350
General and Administrative	2,796,404	-	2,796,404	2,670,824	-	2,670,824
Total Supporting Services	<u>4,240,551</u>	<u>-</u>	<u>4,240,551</u>	<u>3,850,174</u>	<u>-</u>	<u>3,850,174</u>
Total Expenses	<u>13,103,763</u>	<u>-</u>	<u>13,103,763</u>	<u>12,201,954</u>	<u>-</u>	<u>12,201,954</u>
<b>CHANGE IN NET ASSETS</b>	4,117,850	2,309,556	6,427,406	2,055,091	7,589,766	9,644,857
Net Assets - Beginning of Year	<u>8,726,938</u>	<u>38,576,136</u>	<u>47,303,074</u>	<u>6,671,847</u>	<u>30,986,370</u>	<u>37,658,217</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 12,844,788</u>	<u>\$ 40,885,692</u>	<u>\$ 53,730,480</u>	<u>\$ 8,726,938</u>	<u>\$ 38,576,136</u>	<u>\$ 47,303,074</u>

See accompanying Notes to Financial Statements.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021				2020			
	Program Services	Fundraising	General and Administrative	Total	Program Services	Fundraising	General and Administrative	Total
Salaries and Wages	\$ 4,844,587	\$ 787,014	\$ 1,440,219	\$ 7,071,820	\$ 4,589,361	\$ 696,115	\$ 1,418,125	\$ 6,703,601
Payroll Taxes and Employee Benefits	1,125,726	183,911	253,307	1,562,944	1,052,147	136,205	237,335	1,425,687
Outside Services	1,720,244	157,519	684,109	2,561,872	1,604,472	112,000	608,719	2,325,191
Community Relations	801	8,007	34,774	43,582	4,116	11,431	54,241	69,788
Rent	532,220	56,245	86,110	674,575	495,276	64,227	79,727	639,230
Direct Special Event Expenses	-	49,653	-	49,653	-	-	-	-
Equipment Maintenance	32,076	1,544	2,668	36,288	29,889	1,718	2,672	34,279
Legal and Accounting	46,220	381	75,790	122,391	26,370	-	60,590	86,960
Insurance	68,026	-	53,628	121,654	50,335	-	35,817	86,152
Printing and Publication	18,829	77,004	1,630	97,463	36,976	64,891	1,683	103,550
Travel	33,190	106,483	13,976	153,649	50,712	37,204	24,178	112,094
Telephone	25,379	3,199	1,408	29,986	29,437	3,457	1,052	33,946
Office and Supplies	130,003	17,123	26,517	173,643	104,720	11,747	15,189	131,656
Employee Dues and Memberships	8,676	2,750	22,970	34,396	7,456	225	28,013	35,694
Employee Seminar Fees	20,464	1,175	17,378	39,017	24,036	2,042	849	26,927
Depreciation	227,194	24,162	39,673	291,029	197,969	25,019	33,107	256,095
Provision for Bad Debts	-	-	-	-	-	-	18,820	18,820
Interest Expense	-	-	2,890	2,890	-	-	20,835	20,835
Miscellaneous	29,577	17,630	39,357	86,564	48,508	13,069	29,872	91,449
Subtotal	<u>8,863,212</u>	<u>1,493,800</u>	<u>2,796,404</u>	<u>13,153,416</u>	<u>8,351,780</u>	<u>1,179,350</u>	<u>2,670,824</u>	<u>12,201,954</u>
Direct Special Event Expenses	-	(49,653)	-	(49,653)	-	-	-	-
Total Functional Expenses	<u>\$ 8,863,212</u>	<u>\$ 1,444,147</u>	<u>\$ 2,796,404</u>	<u>\$ 13,103,763</u>	<u>\$ 8,351,780</u>	<u>\$ 1,179,350</u>	<u>\$ 2,670,824</u>	<u>\$ 12,201,954</u>

See accompanying Notes to Financial Statements.



**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 6,427,406	\$ 9,644,857
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by Operating Activities:		
Contributions Perpetual in Nature	(21,827)	(20,000)
Net Realized Gain on Investments	(1,124,995)	(79,648)
Net Unrealized Gain on Investments	(1,258,019)	(2,750,927)
Depreciation	291,029	256,095
Noncash Additions of Property and Equipment	-	(60,032)
(Increase) Decrease in Assets:		
Contributions Receivable	393,093	(159,979)
Pledges Receivable	2,377,313	(4,144,900)
Other Receivables	(568,028)	1,591,466
Other Assets	(102,211)	5,160
Increase (Decrease) in Liabilities:		
Accounts Payable	(15,088)	4,898
Accrued Payroll Costs	119,299	(210,758)
Accrued Pension	159	18,766
Accrued Research Study Costs	60,533	(41,678)
Deferred Rent	(96,382)	(13,697)
Deferred Revenues	87,922	(516,016)
Net Cash Provided by Operating Activities	6,570,204	3,523,607
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Furniture and Equipment	(67,494)	(267,966)
Purchase of Investments	(5,370,650)	(4,578,044)
Proceeds from Sale of Investments	2,724,702	4,692,048
Net Cash Used by Investing Activities	(2,713,442)	(153,962)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Line of Credit	(1,000,000)	-
Proceeds from Line of Credit	-	1,000,000
Contributions Perpetual in Nature	21,827	20,000
Net Cash Provided (Used) by Financing Activities	(978,173)	1,020,000
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,878,589	4,389,645
Cash and Cash Equivalents - Beginning of Year	8,246,283	3,856,638
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 11,124,872	\$ 8,246,283
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Noncash Additions of Property and Equipment	\$ -	\$ 60,032

See accompanying Notes to Financial Statements.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 ORGANIZATION**

The Minneapolis Heart Institute Foundation (the Foundation) is a nonprofit corporation organized under the laws of the state of Minnesota. The Foundation seeks to improve cardiovascular health through education and clinical research. The principal focus of the Foundation's work is in the following areas:

- Developing new clinical knowledge about prevention, diagnosis, and treatment of cardiovascular diseases;
- Translating new knowledge and technology into effective practice in health care systems;
- Educating health professionals about advances in managing cardiovascular health; and
- Educating individuals, families, and communities about promoting health and preventing disease.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant accounting policies:

**Basis of Presentation**

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – This classification contains net assets that are not subject to donor-imposed stipulations and are available for support of the operations of the Foundation. As reflected in the statements of financial position, the Foundation's board has designated net assets for research, operating reserves, and other purposes.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

*Net Assets With Donor Restrictions* – This category includes net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time as well as donor-imposed restrictions that are perpetual in nature. The net assets with perpetual donor restrictions include the Founders, T. Peterson, Education, Gobel/Van Tassel, Nicoloff, Kiser, Giel, Ireland, and Patient Safety and Advocacy endowments. The earnings from the Founders, T. Peterson, and Ireland endowments have no donor restrictions and are available for research or education programs. The earnings from the Education endowment are restricted to education programs. The earnings from the Gobel/Van Tassel endowment are restricted to cardiology research. The earnings from the Nicoloff endowment are restricted to cardiac surgery research. The earnings from the Kiser endowment are restricted to collaborative projects with Children’s Heart Link, a Minnesota nonprofit organization. The Giel endowment earnings support research chairs and physician research. The Patient Safety and Advocacy endowment earnings support patient safety and advocacy programs.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Foundation considers all highly liquid securities purchased with an original maturity of three months or less to be cash equivalents.

**Investments**

The Foundation’s investments include mutual funds, index funds, limited partnership investments, and a multi-strategy fund of funds. Investments in mutual funds and index funds are reported at fair value based on quoted market prices at year-end. The investments in the limited partnerships are reported at fair value, using net asset value as a practical expedient, as determined by the partnership’s general partner. Using net asset value as a practical expedient, the multi-strategy fund of funds is recorded as estimated fair value of the underlying assets. The estimated fair value as determined by the general partners or the fund manager may differ from the value that would have been used had ready markets for the investment existed and the differences could be significantly higher or lower for any specific holding.

**Contributions and Grants**

Contributions and grants, which include unconditional promises to give, are recognized as revenues in the period received. All contributions and grants are available for use unless specifically restricted by the donor.

Contributed materials, fixed assets, or investments are recorded at fair value when received.

Contributions and grants with donor-imposed restrictions that are met in the same year as they are received are reported as revenues without donor restrictions. Contributions and grants with donor-imposed restrictions that are not met in the same year as they are received are reported as revenues with donor restrictions and are reclassified to net assets without donor restrictions when the donor-imposed condition is met.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions and Grants (Continued)**

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Foundation received contributions and grants of \$340,940 and \$239,266 for which conditions have not yet been met which are included in deferred revenues on the statement of financial position as of December 31, 2021 and 2020, respectively.

Contributions receivable are current contributions anticipated to be collected within the following year. Pledges receivable are multi-year contributions that are expected to be received over several years and all pledges receivable to be received after one year are discounted using a rate ranging from 0.38% to 2.63%. Amortization of discounts is included in contribution revenue. An allowance for uncollectible pledges and contributions receivable is provided based upon management's estimate of unconditional promises to give which will ultimately not be collected. The change in this allowance is presented as contribution (loss) gain in the statements of activities.

**Other Receivables**

Other receivables include amounts earned under research agreements prior to year-end that have been invoiced to the sponsor and remained outstanding at year-end.

**Property and Equipment**

All expenditures over \$2,500 for property and equipment are capitalized at cost and recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method. Estimated useful lives of property and equipment range from 4 to 10 years.

**Trademark License Revenue**

The Foundation entered into an agreement with a related party, which grants the related party the right to use certain licensed trademarks in connection with the provision of health care service related to the prevention, diagnosis and treatment of cardiovascular disease provided at its hospital-based clinics, and facilities and outreach clinics primarily staffed in cardiology by the MHI Physicians.

The term of the trademark license agreement is twelve years commencing on January 8, 2018. The Foundation will receive an annual royalty of \$25,000 per year each January for the term of this agreement. Revenue is recognized upon receipt. Accordingly, no receivable has been recognized by the Foundation for amounts due under the trademark license agreement through the conclusion of its term.

**Charitable Donation Agreement**

The Foundation entered into a conditional agreement with a related party, where the related party will pay to the Foundation a voluntary nonreciprocal charitable contribution in the amount of \$23,700,000 in equal consecutive monthly installments of \$164,583 with the first monthly installment in January 2018, and the final installment to be paid in December 2029.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Charitable Donation Agreement (Continued)**

Revenue is recognized as earned according to the agreement. The amounts have been recognized in the statements of activities as contribution revenue in the amount of \$1,975,000 for the years ended December 31, 2021 and 2020.

**Research Study Revenues**

The Foundation conducts research activities and programs under various agreements. Amounts received are recognized as earned and are reported as revenue when the work has been performed. Amounts received but not yet earned are reported as deferred revenues in the statement of financial position. The Foundation received research study revenue of \$38,685 and \$59,458 in advance of work being performed which has been included in deferred revenues as of December 31, 2021 and 2020, respectively.

**Income from Services**

Income from services includes amounts from various programs related to education and research. Amounts received are recognized as earned and are reported as revenue when the work has been performed. Amounts received but not yet earned are reported as deferred revenues on the statement of financial position. The Foundation received income from services of \$20,700 and \$15,300 in advance of work being performed which has been included in deferred revenues as of December 31, 2021 and 2020, respectively.

**Volunteers**

A number of volunteers have made significant contributions of time to the Foundation's policymaking, program, and support functions. The value of this contributed time does not meet the criteria for recognition as contributed service revenue and, accordingly, is not reflected in the accompanying financial statements.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on a percentage of direct labor hours expended or a percentage of the total number of Foundation employees.

**Income Taxes**

The Foundation has received a determination letter from the Internal Revenue Service indicating it is classified as a tax-exempt organization under Section 501(c)(3) and is not a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(iii) of the Internal Revenue Code (IRC). The Foundation is also exempt from Minnesota income taxes under Minnesota Statute Chapter 290.05. The Foundation is subject to federal and state income taxes only on any unrelated business income under the provisions of Section 511 of the IRC.

The Foundation follows accounting standards for uncertain tax positions and files as a tax-exempt organization. The Foundation has no uncertain income tax positions and no liability has been recognized by the Foundation under this standard.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates in the Preparation of Financial Statements**

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 the reported amounts of assets and liabilities and disclosure 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.

**Subsequent Events**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 19, 2022, the date the financial statements were available to be issued.

**NOTE 3 INVESTMENTS**

Investments consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
U.S. Large-Cap Equity	\$ 10,424,605	\$ 8,492,883
U.S. Small/Mid-Cap Equity	3,948,858	4,017,485
International Equity	8,279,663	7,252,053
Fixed Income	9,930,577	7,622,566
Hedge Fund of Funds	922,812	1,092,566
Total	<u>\$ 33,506,515</u>	<u>\$ 28,477,553</u>

Investment gain consists of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Interest and Dividends Net of Investment Expenses of \$81,354 in 2021 and \$78,992 in 2020	\$ 860,160	\$ 576,280
Net Realized Gains	1,124,995	79,648
Net Unrealized Gains	1,258,019	2,750,927
Total	<u>\$ 3,243,174</u>	<u>\$ 3,406,855</u>

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 4 FAIR VALUE MEASUREMENTS**

The Foundation uses Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC 820), *Fair Value Measurements*, which established a three-level 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 lowest priority to unobservable inputs (Level 3 measurements).

The Foundation early adopted the standard on disclosures for investments in certain entities that calculate net asset value per share or its equivalent which removes those investments that calculate net asset value per share from the fair value disclosure.

The three levels of the fair value hierarchy under ASC 820 are described below:

*Level 1* – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets, or liabilities.

*Level 2* – Pricing inputs other than identical quoted prices in active markets that are observable for the financial instrument, such as similar instruments, interest rates, and yield curves that are observable at commonly quoted intervals.

*Level 3* – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument.

The following tables summarize the Foundation’s assets that were accounted for at fair value hierarchy of ASC 820, as of December 31:

<u>Description</u>	2021			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Large-Cap Equity	\$ 10,424,605	\$ -	\$ -	\$ 10,424,605
U.S. Small/Mid-Cap Equity	3,948,858	-	-	3,948,858
International Equity	8,279,663	-	-	8,279,663
Fixed Income	8,376,594	-	-	8,376,594
Total	<u>\$ 31,029,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>31,029,720</u>
Investments Held at Net Asset Value or its Equivalent				2,476,795
Total				<u>\$ 33,506,515</u>
<u>Description</u>	2020			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Large-Cap Equity	\$ 8,492,883	\$ -	\$ -	\$ 8,492,883
U.S. Small/Mid-Cap Equity	4,017,485	-	-	4,017,485
International Equity	7,252,053	-	-	7,252,053
Fixed Income	6,135,974	-	-	6,135,974
Total	<u>\$ 25,898,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>25,898,395</u>
Investments Held at Net Asset Value or its Equivalent				2,579,158
Total				<u>\$ 28,477,553</u>

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a summary of the investments whose net asset value approximates fair value and the related unfunded commitments and redemption restrictions associated with each major category at December 31:

	2021			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Strategy Fund of Funds (1)	\$ 922,812	\$ -	Not Applicable	Not Applicable
Fixed Income Funds (2)	1,553,983	-	Monthly	60 Days
Total	\$ 2,476,795	\$ -		
	2020			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Strategy Fund of Funds (1)	\$ 1,092,566	\$ -	Not Applicable	Not Applicable
Fixed Income Funds (2)	1,486,592	-	Monthly	60 Days
Total	\$ 2,579,158	\$ -		

- (1) Multi-Strategy Fund of Funds – This fund invests in hedge funds, private equity, real estate, and natural resources. The portfolio will typically include 15% – 35% opportunistic equity, 15% – 35% enhanced fixed income, 10% – 30% absolute return, 5% – 15% real estate, 5% – 15% private equity, and 5% – 15% energy and natural resources focused strategies. The net asset value (NAV) of the fund is determined monthly using the fair value of the master fund’s investment in underlying managers. These values may be subject to later adjustment or revision.

If all units owned by a partner are repurchased, the partner will receive an initial payment equal to 95% of the estimated value of the units approximately 90 days after the valuation date, subject to audit adjustment, and the balance due will be determined and paid within 45 days after completion of the fund’s annual audit.

- (2) Fixed Income Funds – This fund invests primarily in closed-end registered investment companies that invest in fixed-income securities and directly in fixed-income securities. The NAV of the fund is determined monthly using the market value, or fair value if market data is unavailable, of the underlying funds. Subsequent to the first six months of the initial investment, upon 60 days’ prior written notice, all or any portion of interest in the fund, as of the last day of any month, can be withdrawn. Redemptions will be paid within 30 days after the date of withdrawal, and may be paid either in cash, in-kind, or a combination of both.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the Foundation’s interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the Foundation were to settle these investments in the secondary market, a buyer may require a discount to the reported net assets value, and the discount could be significant.



**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
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**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable at December 31 are expected to be collected as follows:

	<u>2021</u>	<u>2020</u>
Due Within One Year	\$ 2,103,460	\$ 3,185,014
Two Through Five Years	4,473,217	5,367,500
More Than Five Years	1,032,415	1,496,705
Subtotal	<u>7,609,092</u>	<u>10,049,219</u>
Discount	(201,119)	(263,933)
Total	<u>\$ 7,407,973</u>	<u>\$ 9,785,286</u>

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

Furniture and equipment, net is as follows at December 31:

	<u>2021</u>	<u>2020</u>
Leasehold Improvements	\$ 1,724,621	\$ 1,706,973
Furniture and Equipment	1,309,864	1,260,022
Less: Accumulated Depreciation	<u>(1,267,035)</u>	<u>(976,010)</u>
Total	<u>\$ 1,767,450</u>	<u>\$ 1,990,985</u>

**NOTE 7 RELATED PARTY TRANSACTIONS**

Contributions received from board members of the Foundation during 2021 and 2020 totaled \$175,016 and \$5,176,824 respectively. Pledges receivable from board members of the Foundation totaled \$3,005,000 and \$4,008,231 at December 31, 2021 and 2020, respectively.

**NOTE 8 COMMITMENTS**

On August 15, 2008, the Foundation entered into a lease with Health Care Property Investors, Inc. for space within the Minneapolis Heart Institute building which commenced on January 1, 2009. During 2012, the lease was amended to increase the square footage under lease. On December 5, 2018, the Foundation entered into a third amendment to the lease to increase the square footage under the lease and to extend the lease through March 31, 2029. The lease requires escalating annual payments. In addition, the Foundation also received a tenant improvement allowance for leasehold improvements. The total recorded in property and equipment and in deferred rent during 2019 is \$1,107,000. This amount will be amortized over the life of the lease and there is \$802,864 and \$913,604 remaining in deferred rent on the statement of financial position at December 31, 2021 and 2020, respectively.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
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**NOTE 8 COMMITMENTS (CONTINUED)**

On August 7, 2020, the Foundation entered into a lease and first amendment with Health Care Property Investors, Inc. for additional space (suite 480) within the Minneapolis Heart Institute building which commenced on August 1, 2020. The lease extends through March 31, 2029. The lease requires escalating annual payments. In addition, the Foundation also received a tenant improvement allowance for leasehold improvements. The total recorded in property and equipment and in deferred rent during 2020 is \$60,032. This amount will be amortized over the life of the lease and there is \$48,713 and \$57,146 remaining in deferred rent on the statement of financial position at December 31, 2021 and 2020, respectively.

Rent is recorded based on straight-line rent over the term of the lease. Rent expense in 2021 and 2020 was \$431,965 and \$412,303, respectively. Total deferred rent recorded on the statement of financial position is \$948,293 and \$1,044,675 for the years ended 2021 and 2020, respectively. Total deferred rent includes the tenant improvement allowance of \$851,577 discussed above, as well as an additional \$96,716 of deferred rent for the year ended December 31, 2021. Total deferred rent includes the tenant improvement allowance of \$970,750 discussed above, as well as an additional \$73,925 of deferred rent for the year ended December 31, 2020.

Future minimum lease payments as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 417,497
2023	426,028
2024	434,627
2025	443,531
2026	452,551
Thereafter	1,051,507
Total	<u>\$ 3,225,741</u>

**NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions are designated for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Board-Designated:		
Physician Research	\$ 205,158	\$ 205,158
Operating Reserve	12,639,630	8,521,780
Total Net Assets Without Donor Restrictions	<u>\$ 12,844,788</u>	<u>\$ 8,726,938</u>

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
General Support - Restricted for Time	\$ 356,833	\$ 500,266
Restricted Endowment Income	10,568,953	8,770,877
Research and Education Projects:		
Education Projects	451,284	346,819
Research Projects	-	70,719
International Outreach	1,682,669	1,797,389
Interventional Research	14,313	14,313
Lead Registry Research	109,990	112,966
Congestive Heart Failure Research	44,669	43,106
Investigator Initiated Research	14,351,162	13,783,891
Endovascular Research	1,200	1,200
Core Imaging Research Center	153,514	5,312
Total Research and Education Projects	<u>16,808,801</u>	<u>16,175,715</u>
Perpetual in Nature	<u>13,151,105</u>	<u>13,129,278</u>
Total With Donor Restrictions	<u>\$ 40,885,692</u>	<u>\$ 38,576,136</u>

Net assets released from donor restrictions consist of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
General Support - Restricted for Time	\$ 176,293	\$ 109,352
Restricted Endowment Income	770,085	734,998
Research and Education Projects:		
Education Projects	222,424	204,261
Research Projects	70,719	-
International Outreach	170,820	152,527
Lead Registry Research	2,976	12,906
Investigator Initiated Research	2,406,311	1,632,151
Core Imaging Research Center	-	67,224
Total Research and Education Projects	<u>2,873,250</u>	<u>2,069,069</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 3,819,628</u>	<u>\$ 2,913,419</u>

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
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**NOTE 11 FOUNDATION ENDOWMENT FUNDS**

The Foundation's endowment consists of nine individual funds established for the ongoing support of research and education activities. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA governs an institution's, such as the Foundation, management and investment of endowment funds. The board of directors, in consultation with legal counsel, has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions: (a) the original value of the gifts donated to the endowment that is perpetual in nature, (b) the original value of subsequent gifts to the endowment that is perpetual in nature, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is temporary in nature is recorded in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 11 FOUNDATION ENDOWMENT FUNDS (CONTINUED)**

**Endowment Net Asset Composition by Type of Fund**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 13,151,105	\$ 13,151,105
Accumulated Investment Gains	-	10,568,953	10,568,953
Total	<u>\$ -</u>	<u>\$ 23,720,058</u>	<u>\$ 23,720,058</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 13,129,278	\$ 13,129,278
Accumulated Investment Gains	-	8,770,877	8,770,877
Total	<u>\$ -</u>	<u>\$ 21,900,155</u>	<u>\$ 21,900,155</u>

**Changes in Endowment Net Assets**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 21,900,155	\$ 21,900,155
Investment Return:			
Income	-	658,478	658,478
Net Realized and Unrealized Gain	-	1,909,683	1,909,683
Total Investment Gain	-	2,568,161	2,568,161
Contributions	-	21,827	21,827
Appropriation of Endowment Assets for Expenditures	-	(770,085)	(770,085)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 23,720,058</u>	<u>\$ 23,720,058</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 19,894,833	\$ 19,894,833
Investment Return:			
Income	-	459,918	459,918
Net Realized and Unrealized Gain	-	2,260,402	2,260,402
Total Investment Gain	-	2,720,320	2,720,320
Contributions	-	20,000	20,000
Appropriation of Endowment Assets for Expenditures	-	(734,998)	(734,998)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 21,900,155</u>	<u>\$ 21,900,155</u>

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 FOUNDATION ENDOWMENT FUNDS (CONTINUED)**

**Description of Amounts Classified as Net Assets With Donor Restrictions**  
**(Endowment Only)**

Endowment funds as of December 31 are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Founders Endowment	\$ -	\$ 10,620,783	\$ 10,620,783
T. Peterson Endowment	-	72,560	72,560
Education Endowment	-	501,812	501,812
Gobel/Van Tassel Endowment	-	1,408,740	1,408,740
Nicoloff Endowment	-	2,449,661	2,449,661
Kiser Endowment	-	132,620	132,620
Giel Endowment	-	7,985,233	7,985,233
Ireland Endowment	-	460,872	460,872
Patient Safety and Advocacy Endowment	-	87,777	87,777
Total	<u>\$ -</u>	<u>\$ 23,720,058</u>	<u>\$ 23,720,058</u>

  

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Founders Endowment	\$ -	\$ 9,817,422	\$ 9,817,422
T. Peterson Endowment	-	67,069	67,069
Education Endowment	-	462,138	462,138
Gobel/Van Tassel Endowment	-	1,302,134	1,302,134
Nicoloff Endowment	-	2,264,285	2,264,285
Kiser Endowment	-	118,535	118,535
Giel Endowment	-	7,381,309	7,381,309
Ireland Endowment	-	406,129	406,129
Patient Safety and Advocacy Endowment	-	81,134	81,134
Total	<u>\$ -</u>	<u>\$ 21,900,155</u>	<u>\$ 21,900,155</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce a targeted investment return of 8% annually over a long-term horizon. Actual returns in any given year may vary from this amount.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 11 FOUNDATION ENDOWMENT FUNDS (CONTINUED)**

**Description of Amounts Classified as Net Assets With Donor Restrictions  
(Endowment Only) (Continued)**

In order to achieve its long-term rate-of-return objectives, the Foundation has implemented an investment strategy that focuses on capital appreciation (realized and unrealized). Generation of current income (through interest and dividends) is a secondary objective. The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives. An emphasis on equity-based investments implies a willingness by the Foundation to take on investment related risk in return for higher return potential.

The Foundation has a policy of appropriating for distribution each year 4% to 5% (the distribution for the year ended December 31, 2021 was 4%) of its endowment fund's average fair value based on the prior 36-month rolling period. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3% to 4% annually, which should exceed long-term inflation expectations in order to create real growth. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional growth through new gifts and investment return.

**NOTE 12 PENSION PLAN**

The Foundation has a 401(k) defined contribution plan covering all employees who meet the eligibility requirements of the plan. The Foundation made voluntary annual contributions to the plan in an amount equal to 5% of base employee compensation, which includes incentive compensation. Employees may also voluntarily contribute to the plan. Employees are vested in the employer contributions to the plan based upon years of service. The Foundation also matches, on a one-to-one basis, up to 2.5% of an employee's contribution into the 401(k). Pension expense for the plan was \$431,712 and \$426,724 in 2021 and 2020, respectively.

**NOTE 13 LEGAL MATTERS**

The Foundation is involved in legal claims incidental to the normal course of its activities. The Foundation maintains liability coverage for such contingencies which could potentially be exceeded by the claims. Although the ultimate outcomes are not reasonably determinable or probable, management believes, based on their current assessment, that the final disposition on these claims will not have a material adverse effect on the financial position of the Foundation.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 LIQUIDITY AND AVAILABILITY**

As part of the Foundation's liquidity management, it invests cash in excess of operating requirements in short-term investments. Additionally, there is a board-designated operating reserve. The Board's objective is to manage this reserve to ensure the continued operations of the Foundation within a negative environment, to allow the Foundation to take advantage of opportunities, and to define and establish the process to manage operating surpluses and deficits. Although the Foundation does not intend to spend from this reserve other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from this reserve could be made available in the event of financial distress or an immediate liquidity need.

The Foundation's financial assets due within one year of the balance sheet dates available for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 8,468,845	\$ 5,427,918
Other Receivables	2,733,236	2,359,264
Contributions Receivable	283,057	481,713
Short-Term Investments	<u>2,726,979</u>	<u>2,726,979</u>
Total	<u>\$ 14,212,117</u>	<u>\$ 10,995,874</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

**NOTE 15 LINE OF CREDIT**

Effective December 19, 2018, the Foundation entered into a promissory note with a maturity date of December 19, 2025. Available borrowings under the nonrevolving line of credit are \$1,000,000 for the purpose of tenant improvements. During 2019, the revolving loan was converted into a line of credit on November 26, 2019. Total available to draw on the line of credit is \$1,000,000 and carries a variable interest rate. The line of credit is secured by general business assets.

At December 31, 2021 and 2020, there was \$-0- and \$1,000,000 of outstanding line of credit, respectively. Interest expense in 2021 and 2020 was \$2,890 and \$20,835, respectively.



**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 PAYCHECK PROTECTION PROGRAM**

On April 1, 2021, the Foundation was granted a loan from BMO Harris Bank, N.A. in the aggregate amount of \$1,342,500, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan was unsecured and guaranteed by U.S. Small Business Administration (SBA). Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Foundation used the entire loan amount for qualifying expenses. The Foundation applied for and received full forgiveness from the SBA on November 26, 2021, which is included in the statement of activities during the year ended December 31, 2021.

On April 17, 2020, the Foundation was granted a loan from BMO Harris Bank, N.A. in the aggregate amount of \$1,342,500, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan was unsecured and guaranteed by U.S. Small Business Administration (SBA). Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Foundation used the entire loan amount for qualifying expenses. The Foundation applied for and received full forgiveness from the SBA on December 6, 2020, which is included in the statement of activities during the year ended December 31, 2020.

**NOTE 17 EMPLOYEE RETENTION CREDIT**

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. On May 25, 2021 and August 24, 2021, the Foundation received Employee Retention Credit (ERC) funding in the amount of \$514,395 and \$557,164, respectively, in compliance with the program. ERC is a refundable credit for eligible employees with qualified wages and/or health plan expenses.

Grants related to this program are classified as Employee Retention Credit income on the statement of activities. The Foundation recognized \$1,071,559 of Employee Retention Credit income related to performance requirements being met and costs being incurred in compliance with the program during the year ended December 31, 2021.

**MINNEAPOLIS HEART INSTITUTE FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2021**  
(SEE INDEPENDENT AUDITORS' REPORT)

	Operations	Funds with Time or Purpose Restriction	Endowments	Total
<b>SUPPORT AND REVENUES</b>				
Contributions	\$ 4,485,189	\$ 3,202,153	\$ 21,827	\$ 7,709,169
Special Events, Net	1,058	-	-	1,058
Grants	225,044	345,043	-	570,087
Payroll Protection Program Grant	1,342,500	-	-	1,342,500
Employee Retention Credit Grant	1,071,559	-	-	1,071,559
Research Study Revenues	5,398,807	-	-	5,398,807
Income from Services	202,815	-	-	202,815
Investment Gain	7,791	667,222	2,568,161	3,243,174
Contribution Loss	-	(8,000)	-	(8,000)
Net Assets Released from Restrictions	3,049,543	(3,049,543)	-	-
Net Assets Released - Endowment Earnings	770,085	-	(770,085)	-
Total Support and Revenues	<u>16,554,391</u>	<u>1,156,875</u>	<u>1,819,903</u>	<u>19,531,169</u>
<b>OPERATING EXPENSES</b>				
Payroll Costs	8,634,764	-	-	8,634,764
Professional Services	1,795,356	-	-	1,795,356
Research Study Costs	888,906	-	-	888,906
Occupancy Costs	674,576	-	-	674,576
Travel and Meetings	153,650	-	-	153,650
Office and Supplies	337,379	-	-	337,379
Community Relations	39,178	-	-	39,178
Other Expenses	296,807	-	-	296,807
Total Operating Expenses	<u>12,820,616</u>	<u>-</u>	<u>-</u>	<u>12,820,616</u>
<b>NET OPERATING GAIN</b>	3,733,775	1,156,875	1,819,903	6,710,553
<b>NONOPERATING EXPENSES</b>				
Depreciation	291,029	-	-	291,029
Unrelated Business Income Taxes	(7,882)	-	-	(7,882)
Total Nonoperating Expenses	<u>283,147</u>	<u>-</u>	<u>-</u>	<u>283,147</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 3,450,628</u>	<u>\$ 1,156,875</u>	<u>\$ 1,819,903</u>	<u>\$ 6,427,406</u>

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