



**OPEN DOORS KALAMAZOO**

**FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2019 and 2018**

**SEBER TANS, PLC**  
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

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# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Open Doors Kalamazoo

We have audited the accompanying financial statements of Open Doors Kalamazoo (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 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 Open Doors Kalamazoo 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.

*Seber Tans, PLC*

Seber Tans, PLC  
Kalamazoo, Michigan  
November 20, 2020

**Open Doors Kalamazoo**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

<b>Assets</b>	<b>2019</b>	<b>2018</b>
Current Assets		
Cash	\$ 852,366	\$ 603,139
Investments	232,191	187,990
Accounts receivable	848	4,545
Grants receivable	100,000	242,824
Prepaid expenses	37,173	29,240
Total Current Assets	<u>1,222,578</u>	<u>1,067,738</u>
Grants receivable, less current portion	<u>33,283</u>	<u>94,260</u>
Property and Equipment		
Land	297,790	297,790
Buildings	1,949,220	1,949,220
Building improvements	1,028,495	1,019,704
Appliances	34,577	34,577
Furniture	6,361	6,361
Office equipment	21,670	13,985
	<u>3,338,113</u>	<u>3,321,637</u>
Accumulated depreciation	<u>(1,208,576)</u>	<u>(1,082,430)</u>
Net Property and Equipment	<u>2,129,537</u>	<u>2,239,207</u>
Other Assets		
Cash restricted for long-term purposes	39,145	39,145
Security deposits held	40,652	42,301
Beneficial interest at community foundation	13,775	11,619
	<u>93,572</u>	<u>93,065</u>
<b>Total Assets</b>	<b><u>\$ 3,478,970</u></b>	<b><u>\$ 3,494,270</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

<b>Liabilities and Net Assets</b>	<b>2019</b>	<b>2018</b>
Current Liabilities		
Accounts payable	\$ 23,842	\$ 45,540
Rent received in advance	465	1,500
Accrued payroll and related liabilities	25,076	17,488
Funds held for others	34,000	-
Total Current Liabilities	<u>83,383</u>	<u>64,528</u>
Residential Security Deposits	<u>33,660</u>	<u>33,800</u>
Total Liabilities	<u>117,043</u>	<u>98,328</u>
Net Assets		
Without donor restrictions	2,752,742	2,739,949
Donor restricted		
Contributions - Various Programs	24,163	8,394
Contributions - Operational Fund	303,785	238,462
Contributions - Rental Assistance Fund	1,840	17,386
Contributions - United Way	33,283	49,429
Contributions - Residence Community for Working People	206,969	303,177
Contributions - LISC	39,145	39,145
Total Donor Restricted	<u>609,185</u>	<u>655,993</u>
Total Net Assets	<u>3,361,927</u>	<u>3,395,942</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,478,970</u></b>	<b><u>\$ 3,494,270</u></b>

**Open Doors Kalamazoo**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Net Assets Without Donor Restrictions</b>		
Support and Revenue:		
Residential program fees	\$ 434,902	\$ 427,977
Contributions and grants		
United Way	1,243	32,017
Business	6,462	8,691
Government	7,337	3,438
Not-for-profit organizations	22,660	35,877
Individuals	175,590	240,010
Foundations	89,936	170,275
Special events income	70,042	80,917
Rental income	-	5,190
Fiduciary income (loss)	-	(454)
Investment income (loss)	49,515	(11,817)
Program income	8,001	15,228
Miscellaneous revenue	36	1,131
Gain on disposal of property and equipment	-	1,400
	<u>865,724</u>	<u>1,009,880</u>
Net assets released from restrictions	325,027	245,683
Total Support, Revenue, and Releases	<u>1,190,751</u>	<u>1,255,563</u>
Expenses:		
Program services	953,272	978,716
Management and general	155,094	148,819
Fundraising	69,592	72,023
Total Expenses	<u>1,177,958</u>	<u>1,199,558</u>
Change in Net Assets Without Donor Restrictions	<u>12,793</u>	<u>56,005</u>
<b>Donor Restricted Net Assets</b>		
Contributions - Scholarship Fund	28,000	1,642
Contributions - Operational Fund	150,000	140,000
Contributions - Rental Assistance Fund	-	18,000
Contributions - LISC Capital Reserve	-	39,145
Contributions - United Way	66,566	49,429
Contributions - Residence Community for Working People	8,653	291,347
Contributions - Gilmore	25,000	30,000
Net assets released from restrictions	(325,027)	(245,683)
Change in Donor Restricted Net Assets	<u>(46,808)</u>	<u>323,880</u>
<b>Change in Net Assets</b>	<b>(34,015)</b>	<b>379,885</b>
Net Assets at Beginning of Year	<u>3,395,942</u>	<u>3,016,057</u>
<b>Net Assets at End of Year</b>	<b><u>\$ 3,361,927</u></b>	<b><u>\$ 3,395,942</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**Open Doors Kalamazoo**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2019**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 396,903	\$ 62,016	\$ 37,210	\$ 496,129
Utilities	139,982	-	-	139,982
Repairs and maintenance	106,773	-	-	106,773
Payroll taxes	43,411	6,783	4,070	54,264
Professional services	4,077	44,336	2,548	50,961
Employee benefits	39,006	6,095	3,657	48,758
Insurance	38,548	2,901	-	41,449
Specific assistance	29,493	-	-	29,493
Rental expense	8,220	4,110	4,110	16,440
Office supplies	4,900	8,070	1,441	14,411
Fundraising expense	-	-	13,739	13,739
Miscellaneous property improvements	11,111	-	-	11,111
Property tax	7,373	-	-	7,373
Bank fees	3,623	3,623	-	7,246
Publication and production	1,728	3,601	1,873	7,202
Professional development	3,664	944	944	5,552
Program expense	929	-	-	929
Total expenses before depreciation	839,741	142,479	69,592	1,051,812
Depreciation	113,531	12,615	-	126,146
	<b>\$ 953,272</b>	<b>\$ 155,094</b>	<b>\$ 69,592</b>	<b>\$ 1,177,958</b>

The Accompanying Notes are an Integral Part of These Financial Statements.



**Open Doors Kalamazoo**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2018**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 394,126	\$ 61,582	\$ 36,949	\$ 492,657
Utilities	149,581	-	-	149,581
Repairs and maintenance	122,278	-	-	122,278
Professional services	3,812	41,459	2,383	47,654
Specific assistance	47,214	-	-	47,214
Payroll taxes	35,842	5,600	3,360	44,802
Employee benefits	34,754	5,430	3,258	43,442
Insurance	32,715	2,462	-	35,177
Fundraising expense	-	-	17,455	17,455
Rental expense	7,535	3,768	3,768	15,071
Bad debt	12,719	-	-	12,719
Office supplies	3,668	6,041	1,079	10,788
Publication and production	2,563	5,340	2,777	10,680
Bank fees	3,663	3,663	-	7,326
Property tax	7,316	-	-	7,316
Professional development	3,859	994	994	5,847
Miscellaneous property improvements	2,215	-	-	2,215
Program expense	1,500	-	-	1,500
Scholarships	1,038	-	-	1,038
Total expenses before depreciation	866,398	136,339	72,023	1,074,760
Depreciation	112,318	12,480	-	124,798
	<b>\$ 978,716</b>	<b>\$ 148,819</b>	<b>\$ 72,023</b>	<b>\$ 1,199,558</b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**Open Doors Kalamazoo**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (34,015)	\$ 379,885
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	126,146	124,798
Gain on disposal of property and equipment	-	(1,400)
Net realized and unrealized (gain) loss on investment	(33,033)	22,369
Contribution received restricted for long-term purposes	-	(50,000)
Change in beneficial interest at community foundation	(2,156)	1,024
Change in:		
Grants receivable	203,801	(237,279)
Accounts receivable	3,697	2,340
Prepaid expenses	(7,933)	(4,019)
Security deposits held	1,649	(5,443)
Accounts payable	(21,698)	23,765
Accrued payroll and related liabilities	7,588	(14,230)
Prepaid rent	(1,035)	(1,470)
Funds held for others	34,000	(19,571)
Residential security deposits	(140)	2,266
Net Cash Provided by Operating Activities	<u>276,871</u>	<u>223,035</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(11,168)	(11,378)
Proceeds from sale of property and equipment	-	1,400
Purchase of property and equipment	(16,476)	(31,916)
Net Cash Used in Investing Activities	<u>(27,644)</u>	<u>(41,894)</u>
<b>Cash Flows from Financing Activities</b>		
Contribution received restricted for long-term purposes	<u>-</u>	<u>50,000</u>
<b>Change in Cash</b>	<b>249,227</b>	<b>231,141</b>
Cash at Beginning of Year	<u>642,284</u>	<u>411,143</u>
<b>Cash at End of Year</b>	<b><u>\$ 891,511</u></b>	<b><u>\$ 642,284</u></b>
<b>Statement of Financial Position Presentation:</b>		
Cash	\$ 852,366	\$ 603,139
Cash restricted for long-term purposes	<u>39,145</u>	<u>39,145</u>
<b>Total Cash</b>	<b><u>\$ 891,511</u></b>	<b><u>\$ 642,284</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**Open Doors Kalamazoo**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

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**NOTE A – Summary of Significant Accounting Policies**

Organization Purpose

Open Doors Kalamazoo (the Organization), a nonprofit organization, is led by the mission of building relationships to overcome homelessness with a commitment to diversity, equity, and inclusion in response to God's love for ALL. The Organization reduces barriers to housing to individuals and families by providing affordable housing to residents and offering a home to shelter guests. All participants are engaged in programming for personal growth and development. Revenues for operations are generated through donations from individuals, foundation grants, and income generated from program fees charged to residents.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulate time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

*Residential Program Fees*

Residential program fees are recognized when they are earned. Payments from program participants prior to the date the fees are earned are deferred and recorded as a liability: rent received in advance.

*Contributions, Grants and Unconditional Promises to Give*

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958), as management believes these standards improve the usefulness and understandability of the Organization's financial reporting. The Organization does not believe the application of the provisions has a material effect on the amounts presented or disclosed

**Open Doors Kalamazoo**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

*Contributions, Grants and Unconditional Promises to Give (Continued)*

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. 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 substantially met.

Estimates

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.

Functional Allocation of Expenses

The costs of providing the Organization's program services and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Utilities	Square footage
Repairs and maintenance	Square footage
Other costs	Time and effort

Donated Services

The Organization records the value of donated goods when there is an objective basis available to measure their value. Donated materials are reflected as contributions in the accompanying financial statements at their estimated value.

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with its program and supporting services. No amounts have been recognized in the accompanying financial statements because these volunteer efforts do not meet the criteria for recognition.

Cash and Cash Equivalents

The Organization considers cash in checking, savings and money market accounts as well as all highly liquid investments with maturity dates of three months or less to be cash equivalents. Cash and cash equivalents consist mainly of cash and money market deposits.

**Open Doors Kalamazoo**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Investments

Investments in marketable equity and debt securities with readily determined fair values are reported at their fair values in the accompanying statements of financial position. Investments are maintained with high-quality institutions, and the composition and maturities of investments are regularly monitored by management. The Organization adjusts the carrying value of the investments to fair value annually.

Unconditional Promises to Give and Grants Receivable

Promises to give consist primarily of amounts due from individual donors. Grants receivable consist of amounts awarded but not yet paid. Pledges and grants receivable over periods extending beyond twelve months that are material to the financial statements are discounted to net present value at a discount rate of 3%. Pledges and grants receivable are evaluated annually for impairment; any receivables deemed to be uncollectible are expensed. At December 31, 2019, management believes all pledges and grants receivable will be fully realized and no allowance has been recorded. All promises and grants receivable are expected to be received within two years.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over their economic useful lives.

Long-Lived Assets

The Organization evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Tax Status

The Internal Revenue Service has determined the Organization to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management of the Organization considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements.

**Open Doors Kalamazoo**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

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**NOTE A – Summary of Significant Accounting Policies (Continued)**

Advertising

All advertising costs are expensed in the period in which they are incurred. Advertising expenses totaled approximately \$2,100 and \$4,900 during the years ended December 31, 2019 and 2018, respectively.

Adoption of New Accounting Pronouncement

As of January 1, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining if a contribution is conditional. The Organization adopted the new standard on a modified prospective basis. The standard did not require a restatement of the prior year amounts.

**NOTE B – Liquidity and Availability of Assets**

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at December 31:

	<u>2019</u>	<u>2018</u>
Cash	\$ 852,366	\$ 603,139
Investments	232,191	187,990
Accounts receivable	848	4,545
Unrestricted grants receivable	<u>100,000</u>	<u>45,737</u>
Total available for operations	<u>\$ 1,185,405</u>	<u>\$ 841,411</u>

**NOTE C – Financial Instruments and Fair Value Measurements**

The Organization follows the provisions of FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, the authoritative guidance for fair value measurements of investments that are recognized at fair value in the financial statements. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs – Fair value is determined by using quoted prices for identical assets in active markets.

**Open Doors Kalamazoo**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

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**NOTE C – Financial Instruments and Fair Value Measurements (Continued)**

Level 2 Inputs – Fair value is determined by using other than quoted prices that are observable for the asset (e.g. quoted prices for identical assets in inactive markets, quoted prices for similar assets in active markets, observable inputs other than quoted prices, and inputs derived principally from or corroborated by observable market data by correlation or other means).

Level 3 Inputs – Fair value is determined by using inputs based on management assumptions that are not directly observable.

There have been no changes in methodologies used at December 31, 2019 and 2018. All investments are Level 1. The following table summarizes the valuation of the Organization's investments by the aforementioned pricing categories at December 31, 2019:

	Total	Level 1	Level 2	Level 3
Cash deposits	\$ 2,500	\$ 2,500	\$ -	\$ -
Equities	9,447	9,447	-	-
Mutual Fund	220,244	220,244	-	-
	<u>220,244</u>	<u>220,244</u>	<u>-</u>	<u>-</u>
Total available for operations	<u>\$ 232,191</u>	<u>\$ 232,191</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarizes the valuation of the Organization's financial instruments by the aforementioned pricing categories at December 31, 2018:

	Total	Level 1	Level 2	Level 3
Cash deposits	\$ 2,189	\$ 2,189	\$ -	\$ -
Mutual Fund	185,801	185,801	-	-
	<u>185,801</u>	<u>185,801</u>	<u>-</u>	<u>-</u>
Total available for operations	<u>\$ 187,990</u>	<u>\$ 187,990</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE D – Beneficial Interest in Assets Held at Community Foundation**

Under current accounting standards, Open Doors of Kalamazoo, as a beneficial organization, recognizes its rights to the assets held by the Kalamazoo Community Foundation (KCF), the recipient organization. The Organization has granted conditional variance power to KCF, and KCF has ultimate authority and control over the fund and the income derived therefrom. Upon request by the Organization, income from the fund representing an annual return may be distributed to the Organization or to another suggested beneficiary subject to the approval of KCF. The fund is charged an administrative fee annually. Distributions received from the fund are recorded as decreases in beneficial interest in assets held at community foundation. The fair value of these assets totaled \$13,775 and \$11,619 as of December 31, 2019 and 2018, respectively.

**Open Doors Kalamazoo**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

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**NOTE D – Beneficial Interest in Assets Held at Community Foundation (Continued)**

Additionally, the Organization has been named as a beneficiary organization of a second endowment held at KCF. This endowment does not meet the requirements for the Organization to recognize its rights in a beneficial interest; accordingly, the assets are not recorded in the Statements of Financial Position. This endowment was established to act as a depository for gifts, conveyances, and other transfers received directly from donors intended to benefit the Organization. The fair value of these assets totaled approximately \$60,000 and \$50,000 at December 31, 2019 and 2018, respectively. The spendable earnings from this endowment fund are not recorded in the accompanying financial statements until a grant request is made by the Organization and approved by KCF.

**NOTE E – Retirement Plan**

The Organization maintained a defined contribution retirement plan for its eligible employees. The Organization, at the Board's discretion, could make a matching contribution. The Organization did not make matching contributions for the years ending December 31, 2018. This plan was terminated January 1, 2019.

Effective January 1, 2019, the Organization established a Simple IRA plan. Full-time employees may participate after one year of services. The Organization is obligated to match the first 3% of employee's deferred compensation contributed to the plan which amounted to \$3,500 for the year ending December 31, 2019.

**NOTE F – Cash Flows**

The Organization did not pay any cash for interest or income taxes during the years ended December 31, 2019 and 2018.

**NOTE G – Concentrations**

Credit Risk

The Organization maintains its cash accounts in the state of Michigan. The total cash balances are insured by the FDIC and NCUSIF up to \$250,000 per bank/credit union. The Organization has cash balances on deposit at December 31, 2019, that exceeded the balance insured by the FDIC and NCUSIF by approximately \$349,000. Subsequent to December 31, 2019, the Organization diversified its cash holdings with additional banks.

Market Value Risk

The Organization holds investments in a financial institution consisting primarily of mutual funds and other marketable securities. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements.



**Open Doors Kalamazoo  
Notes to Financial Statements  
For the Years Ended December 31, 2019 and 2018**

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**NOTE H – Commitments and Contingencies**

Certain grants require the fulfillment of certain conditions set forth in the grant agreement. Failure to fulfill the conditions may result in the return of the funds to the grantor. Although that is a possibility, management deems the contingency remote, since by accepting the gifts and their terms it has accommodated the objectives of the Organization to the provisions of the gift.

**NOTE I – Subsequent Events**

Management has evaluated subsequent events through November 20, 2020, the date on which the financial statements were available to be issued.

Subsequent to December 31, 2019, the Organization incurred a loss of \$34,000 when their offices were burglarized, and cash was stolen.

Subsequent to the financial statement date, COVID-19 became a nationwide health concern that has led to the curtailment of large gatherings, the cancelation of numerous events, restricted travel, closed schools, and made social distancing expected behavior. It is not possible to predict what impacts the virus and the related national response may have on the Organization's operations.

In April 2020, the Organization received a \$123,600 Federal Paycheck Protection Loan (PPP) to cover payroll costs. The loan is eligible for forgiveness if the Organization maintains equivalent full-time employees at levels similar to pre COVID-19 operations. Any amounts not forgiven bears interest at 1%. Principal payments are deferred until such time as a determination of any amounts to be forgiven is made by the Small Business Administration. It is not anticipated that such a determination will be made prior to December 31, 2020. Principal not forgiven and any related interest are payable monthly in amounts necessary to retire the loan within two years of the loan origination date, unless the loan terms are extended by agreement between the Organization and the lender. Management has not made a determination as to how much of the loan will be forgiven.