

Austin Pets Alive, Inc.
Financial Statements and
Independent Auditors' Report
December 31, 2019 and 2018

Austin Pets Alive, Inc.

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Dunagan★Jack LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Austin Pets Alive, Inc.

We have audited the accompanying financial statements of Austin Pets Alive, Inc. (a Texas nonprofit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

A handwritten signature in black ink that reads "DUNAGAN★JACK LLP". The signature is stylized and written in a cursive-like font.

Austin, Texas
December 2, 2020

FINANCIAL STATEMENTS

Austin Pets Alive, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 3,357,474	\$ 904,897
Investments	2,225,834	4,545,826
Other receivables	15,542	54,917
Contributions receivable	1,725,875	3,401,321
Inventory	257,472	115,752
Prepaid expenses and other assets	137,438	168,201
Property and equipment	<u>832,958</u>	<u>589,176</u>
Total assets	<u>\$ 8,552,593</u>	<u>\$ 9,780,090</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 251,945	\$ 419,488
Deferred revenue	<u>31,226</u>	<u>27,918</u>
Total liabilities	<u>283,171</u>	<u>447,406</u>
Net assets		
Without donor restrictions	3,020,985	2,173,991
With donor restrictions	<u>5,248,437</u>	<u>7,158,693</u>
Total net assets	<u>8,269,422</u>	<u>9,332,684</u>
Total liabilities and net assets	<u>\$ 8,552,593</u>	<u>\$ 9,780,090</u>

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

Austin Pets Alive, Inc.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Operating revenues			
Grants and contributions	\$ 5,648,392	\$ 2,023,597	\$ 7,671,989
Adoption fees	914,198	-	914,198
Return on investments	156,912	-	156,912
Annual conference	93,176	-	93,176
Special events	71,396	-	71,396
Other revenues	<u>208,421</u>	<u>-</u>	<u>208,421</u>
Total operating revenues	<u>7,092,495</u>	<u>2,023,597</u>	<u>9,116,092</u>
Thrift Store revenues			
In-kind donations of inventory	1,015,715	-	1,015,715
Thrift Store sales	896,733	-	896,733
Cost of goods sold	<u>(896,733)</u>	<u>-</u>	<u>(896,733)</u>
Net Thrift Store revenues	<u>1,015,715</u>	<u>-</u>	<u>1,015,715</u>
Net assets released from restrictions	<u>3,933,853</u>	<u>(3,933,853)</u>	<u>-</u>
Total revenues and other support	<u>12,042,063</u>	<u>(1,910,256)</u>	<u>10,131,807</u>
Expenses			
Program services	8,660,190	-	8,660,190
General and administrative	953,671	-	953,671
Fundraising	<u>1,581,208</u>	<u>-</u>	<u>1,581,208</u>
Total expenses	<u>11,195,069</u>	<u>-</u>	<u>11,195,069</u>
Change in net assets	846,994	(1,910,256)	(1,063,262)
Net assets at beginning of year	<u>2,173,991</u>	<u>7,158,693</u>	<u>9,332,684</u>
Net assets at end of year	<u>\$ 3,020,985</u>	<u>\$ 5,248,437</u>	<u>\$ 8,269,422</u>

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

Austin Pets Alive, Inc.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Operating revenues			
Grants and contributions	\$ 5,453,445	\$ 971,853	\$ 6,425,298
Adoption fees	673,431	-	673,431
Special events	206,081	-	206,081
Return on investments	105,864	-	105,864
Annual conference	84,363	-	84,363
Other revenues	<u>178,976</u>	<u>-</u>	<u>178,976</u>
Total operating revenues	<u>6,702,160</u>	<u>971,853</u>	<u>7,674,013</u>
Thrift Store revenues			
In-kind donations of inventory	722,152	-	722,152
Thrift Store sales	653,024	-	653,024
Cost of goods sold	<u>(653,024)</u>	<u>-</u>	<u>(653,024)</u>
Net Thrift Store revenues	<u>722,152</u>	<u>-</u>	<u>722,152</u>
Net assets released from restrictions	<u>3,197,044</u>	<u>(3,197,044)</u>	<u>-</u>
Total revenues and other support	<u>10,621,356</u>	<u>(2,225,191)</u>	<u>8,396,165</u>
Expenses			
Program services	8,829,881	-	8,829,881
General and administrative	859,782	-	859,782
Fundraising	<u>1,197,731</u>	<u>-</u>	<u>1,197,731</u>
Total expenses	<u>10,887,394</u>	<u>-</u>	<u>10,887,394</u>
Change in net assets	(266,038)	(2,225,191)	(2,491,229)
Net assets at beginning of year	<u>2,440,029</u>	<u>9,383,884</u>	<u>11,823,913</u>
Net assets at end of year	<u>\$ 2,173,991</u>	<u>\$ 7,158,693</u>	<u>\$ 9,332,684</u>

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

Austin Pets Alive, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2019

	Program	General and	Fundraising		Total
	Services	Administrative	Thrift Store	Other	
Personnel	\$ 5,836,487	\$ 523,787	\$ 189,854	\$ 932,547	\$ 7,482,675
Occupancy	399,525	31,284	270,512	17,205	718,526
Grants and contributions	560,235	-	-	-	560,235
Pet food	407,877	-	-	-	407,877
Vaccines and medications	289,188	-	-	-	289,188
Insurance	172,019	49,024	7,871	8,084	236,998
Depreciation	128,218	11,507	-	24,657	164,382
Supplies	113,624	4,748	5,589	2,386	126,347
Bank and credit card fees	-	116,228	-	-	116,228
Conference expenses	112,441	-	-	-	112,441
Professional fees	19,251	73,144	14,800	-	107,195
Travel	96,604	1,848	-	-	98,452
Medical supplies	87,490	-	-	-	87,490
Medical tests	77,330	-	-	-	77,330
Medical services	64,916	-	-	-	64,916
Repairs and maintenance	42,193	3,138	1,314	5,410	52,055
Lobbying expenses	48,000	-	-	-	48,000
Event expenses	-	-	-	40,246	40,246
Other expenses	204,792	138,963	33,633	27,100	404,488
Total expenses	<u>\$ 8,660,190</u>	<u>\$ 953,671</u>	<u>\$ 523,573</u>	<u>\$ 1,057,635</u>	<u>\$ 11,195,069</u>

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

Austin Pets Alive, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2018

	Program	General and	Fundraising		Total
	Services	Administrative	Thrift Store	Other	
Personnel	\$ 5,562,869	\$ 456,933	\$ 151,089	\$ 638,840	\$ 6,809,731
Occupancy	470,410	19,201	216,030	9,023	714,664
Pet food	629,911	-	-	-	629,911
Grants and contributions	430,118	-	-	-	430,118
Vaccines and medications	318,802	-	-	-	318,802
Contract labor	263,040	-	-	-	263,040
Insurance	76,890	85,889	8,228	1,331	172,338
Medical services	162,843	-	-	-	162,843
Conference expenses	157,616	-	-	-	157,616
Medical tests	123,118	-	-	-	123,118
Depreciation	100,488	8,254	-	14,269	123,011
Bank and credit card fees	-	111,850	-	-	111,850
Event expenses	-	-	-	105,049	105,049
Medical supplies	99,973	-	-	-	99,973
Supplies	73,852	15,499	3,757	6,090	99,198
Repairs and maintenance	76,098	6,244	2,469	8,326	93,137
Professional fees	65,482	26,916	-	-	92,398
Travel	65,416	11,542	-	-	76,958
Other expenses	152,955	117,454	6,643	26,587	303,639
Total expenses	<u>\$ 8,829,881</u>	<u>\$ 859,782</u>	<u>\$ 388,216</u>	<u>\$ 809,515</u>	<u>\$ 10,887,394</u>

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

Austin Pets Alive, Inc.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,063,262)	\$ (2,491,229)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	164,382	123,011
Realized and unrealized (gains) losses on investments	(20,270)	55,729
Decrease (increase) in other receivables	39,375	(10,853)
Decrease (increase) in contributions receivable	1,675,446	(786,890)
Increase in inventory	(141,720)	(69,128)
Decrease (increase) in prepaid expenses and other assets	30,763	(120,424)
Decrease in accounts payable and accrued expenses	(167,543)	(5,683)
Increase (decrease) in deferred revenue	3,308	(16,079)
Net cash provided (used) by operating activities	<u>520,479</u>	<u>(3,321,546)</u>
Cash flows from investing activities:		
Sales/maturities (purchases) of investments	2,340,262	(4,601,555)
Purchases of property and equipment	<u>(408,164)</u>	<u>(248,242)</u>
Net cash provided (used) by investing activities	<u>1,932,098</u>	<u>(4,849,797)</u>
Cash flows from financing activities:		
Principal payments on note payable	<u>-</u>	<u>(2,808)</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>(2,808)</u>
Net increase (decrease) in cash and cash equivalents	2,452,577	(8,174,151)
Cash and cash equivalents at beginning of year	<u>904,897</u>	<u>9,079,048</u>
Cash and cash equivalents at end of year	<u>\$ 3,357,474</u>	<u>\$ 904,897</u>
Amount paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ 2,282</u>

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

NOTES TO FINANCIAL STATEMENTS

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Nature of Activities

Austin Pets Alive, Inc. (Organization) is organized under the Non-Profit Corporation Act of the State of Texas as a 501(c)(3) organization. The Organization promotes and provides the resources, education, and programs needed to eliminate the killing of companion animals in Austin, Texas. The Organization receives its funding primarily from grants, individual donations, and pet adoption fees. The Organization has been the leading force in getting Austin to become the largest “No Kill City” in the U.S. A No Kill City is defined as a community that saves over 90% of the animals that enter all the shelters in that community. The Organization works with the City's only shelter that must kill dogs and cats if more come in than the shelter can find homes. The Organization prevents those animals from being killed by taking them into the Organization's shelter, as well as advocating for adoption, fostering, and volunteering. The Organization currently has the largest foster program in the country which increases the total capacity for temporary housing of animals.

Other communities frequently contact the Organization for consultation and recommendations on how they can institute No Kill programs. The Organization provides resources, training, and conferences to assist others in attaining a No Kill status. During 2011, the Organization created a program called American Pets Alive! to coordinate the Organization's annual conference. Attendees from around the United States come to the annual conference to learn the programs and tools to make their community No Kill. During 2016, established an Austin based Training Academy. The Training Academy consists of a number of learning opportunities that provide structured learning experiences for staff and volunteers from other shelters and rescues to come and learn about the innovative programs that the Organization has developed.

2. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

3. Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Basis of Presentation - continued

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

4. Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all checking, savings, and money market accounts and all highly liquid investments with initial maturities of three months or less.

5. Investments

Investments are stated at their readily determinable fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

6. Property and Equipment

Acquisitions of property and equipment are capitalized at cost, if purchased, or fair market value on the date of donation, if received as a gift. Depreciation is calculated using the straight-line method over the assets' estimated useful lives, generally three to five years. 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 expiration of restrictions when the assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions or as increases in net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. As purpose or time restrictions are satisfied, net assets are reclassified to net assets without donor restrictions. The Organization's policy is to report support with restrictions satisfied in the year of receipt as contributions without restrictions.

Adoption fees are recognized upon placement with an adopting family, at which time payment is received.

8. Functional Expenses

Expenses are categorized by function as either (1) program services, (2) general and administrative, or (3) fundraising expenses. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to each function.

9. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE B - TAX EXEMPT STATUS

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3). The Organization is classified as a publicly supported charitable organization under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. No provisions for federal income taxes are reported in these financial statements.

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE C - INVESTMENTS

Investments comprised the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Corporate bonds	\$ 2,225,834	\$ 4,518,864
U.S. Treasury bill	-	26,962
	<u>\$ 2,225,834</u>	<u>\$ 4,545,826</u>

Return on investments comprised the following for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 136,642	\$ 161,593
Realized and unrealized gains (losses), net	20,270	(55,729)
	<u>\$ 156,912</u>	<u>\$ 105,864</u>

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques that measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements). The Organization's investments are all reported using Level 1 measures.

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable comprised the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Contributions receivable	\$ 1,022,857	\$ 2,514,907
Promised use of facilities	703,018	886,414
	<u>\$ 1,725,875</u>	<u>\$ 3,401,321</u>

Due to the immaterial amounts of discounts calculated, no discounts to present value have been recorded as of December 31, 2019 and 2018. No allowances for uncollectible promises are considered necessary.

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE D - CONTRIBUTIONS RECEIVABLE - CONTINUED

At December 31, 2019, collection of the contributions receivable balance (other than the promised use of facilities) was expected as follows:

Due within one year	\$	522,857
Due in one to five years		500,000
Due in more than five years		<u>-</u>
Contributions receivable	\$	<u>1,022,857</u>

During May 2011, the Organization executed a lease agreement where it received the free use of 1,126 square feet of donated facilities at Tarrytown Center. In October 2013, another lease agreement was executed where the Organization received an additional 2,837 square feet of donated facilities at the Tarrytown Center. In April 2015, another lease agreement was executed where the Organization received an additional 2,534 square feet of donated facilities at the Tarrytown Center. In October 2018, amendments were executed to extend all the Tarrytown Center lease termination dates to October 31, 2023. The primary use of these donated facilities is for the adoption of homeless dogs and cats.

During May 2012, the Organization entered into an Amended and Restated Temporary License Agreement with the City of Austin to operate the Town Lake Animal Center site (TLAC). An amendment was executed in May 2015 that extended the term of the Agreement twenty-four months, until May 23, 2017, with the right to extend the term for three additional twelve-month periods. The Organization does not pay rent for the TLAC; however, it is responsible for repairs, maintenance, janitorial services, and utilities. The terms of the Amended and Restated License Agreement allow either party to terminate the Agreement upon ninety (90) days written notice.

According to generally accepted accounting principles, organizations that receive the free or discounted use of facilities, in which the donor retains legal title, for a specified period should report these promises as contributions receivable and as restricted support that increases net assets with donor restrictions. Expense should be recognized in the periods the facilities are used. Therefore, the Organization recognized contributions of \$140,000 and \$1,079,595 for the free use of facilities during the years ended December 31, 2019 and 2018, respectively. Contributions receivable are amortized as facilities expense on a straight-line basis over respective terms. The Organization recognized donated facilities expense of \$323,396 during each of the years ended December 31, 2019 and 2018.

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment comprised the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 937,215	\$ 575,430
Furniture and equipment	230,366	230,366
Website	119,014	99,895
Vehicles	98,337	98,337
New facilities development	<u>94,251</u>	<u>66,991</u>
	1,479,183	1,071,019
Less accumulated depreciation	<u>(646,225)</u>	<u>(481,843)</u>
	<u>\$ 832,958</u>	<u>\$ 589,176</u>

Depreciation expense totaled \$164,382 and \$123,011 for the years ended December 31, 2019 and 2018, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Training Academy	\$ 1,683,149	\$ 2,978,631
Dog behavior program	1,041,567	-
Hurricane Harvey relief	725,899	2,350,845
Promised use of facilities	703,018	886,414
Data analysis project	413,585	-
Big dog project	365,739	-
Capital campaign	60,430	235,054
Executive Leader Fellowships	52,358	200,000
American Pets Alive scholarships	-	189,700
Other purposes	<u>202,692</u>	<u>318,049</u>
	<u>\$ 5,248,437</u>	<u>\$ 7,158,693</u>

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE G - LEASE COMMITMENTS

The Organization leases space for its Thrift Store operations at two locations: Burnet Road and Oltorf Street in Austin, Texas. The term of the current lease agreement for the Burnet Road location is sixty months and commenced in August 2018. The term of the current lease agreement for the Oltorf Street location is thirty-six months and commenced in April 2019. As of December 31, 2019, future minimum lease payments under these operating leases were as follows:

<u>Years ending December 31,</u>	<u>Minimum Lease Payments</u>
2020	\$ 257,602
2021	265,330
2022	168,011
2023	80,364
thereafter	-

Rent expense for leased Thrift Store facilities totaled \$245,955 and \$191,859 for the years ended December 31, 2019 and 2018, respectively.

NOTE H - CONCENTRATIONS

At December 31, 2019, contributions receivable included \$1,000,000 promised by an individual. At December 31, 2018, contributions receivable included \$2,250,000 promised by a family foundation.

During the year ended December 31, 2019, grants and contributions included approximately \$1.7 million from one individual.

All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, are insured by the FDIC up to the maximum deposit insurance amount (\$250,000). The Organization's uninsured cash balances totaled approximately \$2,900,000 and \$425,000 at December 31, 2019 and 2018, respectively.

Austin Pets Alive, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE I - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following reflects the Organization’s financial assets, reduced by amounts not available for general use within one year because of donor-imposed restrictions, as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 3,357,474	\$ 904,897
Investments	2,225,834	4,545,826
Other receivables	15,542	54,917
Contributions receivable due within one year, excluding promised facilities	<u>522,857</u>	<u>2,413,540</u>
Total financial assets	6,121,707	7,919,180
Less donor imposed restrictions:		
Subject to expenditure for specified purposes	<u>(4,045,419)</u>	<u>(6,170,912)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,076,288</u>	<u>\$ 1,748,268</u>

NOTE J - SUBSEQUENT EVENTS

In January 2020, the Organization executed a sublease agreement for additional thrift store facilities. The term of the lease is from February 2020 through April 2023. Monthly base rent payments of \$9,041 started May 2020 and increase to \$9,625 over the term. The Organization also pays monthly estimated operating expenses, initially estimated at \$1,674/month.

The COVID-19 outbreak in the United States has caused significant disruption of the Organization’s operations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration. The extent of the impact of COVID-19 on the Organization will depend on certain developments, including the duration and spread of the outbreak and the impact on its donors, volunteers, and vendors, all of which are uncertain and cannot be reasonably estimated at this time. In April 2020, the Organization received a \$1.3 million loan under the Paycheck Protection Program. The loan has a fixed interest rate of 1.0%, matures in two years, and payments are deferred for six months. The loan is eligible for forgiveness by the U.S. Small Business Administration (SBA) if the Organization meets all necessary criteria as defined by the SBA.

Subsequent events have been evaluated through December 2, 2020, the date the financial statements were available to be issued.