

**United Way of  
St. Lucie County, Inc.**

**ANNUAL FINANCIAL REPORT**

**June 30, 2020**

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St. Lucie County, Inc.**

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# Berger, Toombs, Elam, Gaines & Frank

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## Independent Auditor's Report

To the Board of Directors  
United Way of St. Lucie County, Inc.  
Fort Pierce, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of United Way of St. Lucie County, Inc. (the "Organization"), which comprise of the statement of financial position as of June 30, 2020 and the related statements of activities, cash flows, and functional expenses for the year 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Fort Pierce / Stuart

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Berger, Toombs, Elam,  
Gaines & Frank  
Certified Public Accountants PL

To the Board of Directors  
United Way of St. Lucie County, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of St. Lucie County, Inc., as of June 30, 2020, and the activities, cash flows, and functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

*Berger Toombs Elam  
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

November 12, 2020

**United Way of St. Lucie County, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 538,682
Promises to give receivable	355,139
Interest receivable	4,896
Inventory	305,286
Split interest agreements receivable	47,225
Investments	1,958,966
<b>Total Current Assets</b>	<b>3,210,194</b>

**Noncurrent assets**

**Fixed assets**

Office equipment	49,850
Less - accumulated depreciation	(38,233)
<b>Total Fixed Assets</b>	<b>11,617</b>

<b>Total Assets</b>	<b>\$ 3,221,811</b>
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**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable and accrued expenses	\$ 35,968
Due to others	24,707
Promises to give to member agencies	476,668
<b>Total Current Liabilities</b>	<b>537,343</b>

**Noncurrent liabilities**

Note payable	84,500
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**Net assets**

With donor restrictions	402,364
Without donor restrictions-board designated endowment	1,471,665
Without donor restrictions	725,939
<b>Total Net Assets</b>	<b>2,599,968</b>

<b>Total Liabilities and Net Assets</b>	<b>\$ 3,221,811</b>
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*The accompanying notes are an integral part of these financial statements.*

**United Way of St. Lucie County, Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Campaign results			
Annual campaign	\$ 1,143,831	\$ 355,139	\$ 1,498,970
Less: Amounts raised on behalf of others	(196,600)	-	(196,600)
Less: Provisions for uncollectable pledge losses	(154,477)	-	(154,477)
Net Campaign Revenues	792,754	355,139	1,147,893
Special events, net of \$1,270 expenses	(1,245)	-	(1,245)
Hurricane/disaster relief funds	153,157	-	153,157
In-kind contributions	17,124	-	17,124
Investment income	38,280	-	38,280
Contributions/grants/miscellaneous income	126,352	-	126,352
Net assets released from restrictions	445,228	(445,228)	-
Total Support and Revenues	1,571,650	(90,089)	1,481,561
<b>Expenses</b>			
Program Services			
Allocations to others	564,242	-	564,242
Disaster relief	153,157	-	153,157
Community services	316,095	-	316,095
Tools for schools	144,585	-	144,585
Total Program Services	1,178,079	-	1,178,079
Supporting Services			
General and administrative	73,158	-	73,158
Fundraising	157,013	-	157,013
Total Supporting Services	230,171	-	230,171
<b>Total Expenses</b>	1,408,250	-	1,408,250
<b>Losses</b>			
Net unrealized and realized losses on investments	187,622	-	187,622
Loss on receipt of remainder trust	54,433	-	54,433
Total Losses	242,055	-	242,055
<b>Total Expenses and Losses</b>	1,650,305	-	1,650,305
<b>Change in Net Assets</b>	(78,655)	(90,089)	(168,744)
<b>Net Assets - July 1, 2019</b>	2,276,259	492,453	2,768,712
<b>Net Assets - June 30, 2020</b>	\$ 2,197,604	\$ 402,364	\$ 2,599,968

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

**United Way of St. Lucie County, Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2020**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ (168,744)
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	3,084
Net unrealized and realized loss on investments	187,622
Loss on receipt of remainder trust	54,433
(Increase)/decrease in assets:	
Promises to give receivable	35,656
Prepaid expenses	151
Inventory	(36,713)
Other receivables	(4,896)
Increase/(decrease) in current liabilities:	
Accrued expenses	15,398
Unearned revenue	(37,000)
Due to others	(14,889)
Promises to give to member agencies	(223,770)
<b>Net cash used by operating activities</b>	<u>(189,668)</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of marketable securities	(2,098,643)
Proceeds from sales of marketable securities	2,230,575
Purchases of fixed assets	(2,123)
<b>Net cash provided by investing activities</b>	<u>129,809</u>
<b>Cash Flows from Financing Activities</b>	
Issuance of PPP debt	<u>84,500</u>
Net change in cash and cash equivalents	24,641
Cash and cash equivalents, July 1, 2019	<u>514,041</u>
Cash and cash equivalents, June 30, 2020	<u>\$ 538,682</u>
Supplemental disclosures of cash flow information	
School Supplies Donations	\$ 123,244
School Supplies Distributions	\$ 86,531

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

**United Way of St. Lucie County, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2020**

	Program Services				Supporting Services				Total Expenses
	Allocations To Others	Disaster Relief	Community Services/Volunteer Center	Tools for Schools	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
<b>Allocations/Distributions</b>									
Allocations to charitable organizations	\$ 591,835	\$ -	\$ -	\$ -	\$ 591,835	\$ -	\$ -	\$ -	\$ 591,835
Special allocations to charitable organizations	169,007	153,157	-	-	322,164	-	-	-	322,164
Distributed school supplies	-	-	-	86,531	86,531	-	-	-	86,531
Less donor designations	(196,600)	-	-	-	(196,600)	-	-	-	(196,600)
<b>Total Allocations/Distributions</b>	<b>564,242</b>	<b>153,157</b>	<b>-</b>	<b>86,531</b>	<b>803,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>803,930</b>
<b>Compensation</b>									
Salaries	-	-	207,572	28,593	236,165	50,724	99,867	150,591	386,756
Payroll taxes	-	-	15,967	2,187	18,154	3,903	7,685	11,588	29,742
Employee benefits	-	-	14,665	-	14,665	3,531	7,009	10,540	25,205
Salaries - fees/leased	-	-	336	-	336	90	174	264	600
<b>Total Compensation</b>	<b>-</b>	<b>-</b>	<b>238,540</b>	<b>30,780</b>	<b>269,320</b>	<b>58,248</b>	<b>114,735</b>	<b>172,983</b>	<b>442,303</b>
<b>Operations</b>									
Occupancy	-	-	17,960	-	17,960	2,574	8,066	10,640	28,600
Tools for schools expense	-	-	-	27,274	27,274	-	-	-	27,274
Printing and publicity	-	-	9,893	-	9,893	2,018	9,019	11,037	20,930
Technology	-	-	5,800	-	5,800	870	2,996	3,866	9,666
Legal and accounting	-	-	4,083	-	4,083	4,084	908	4,992	9,075
Telephone	-	-	4,240	-	4,240	636	2,190	2,826	7,066
Campaign expense	-	-	-	-	-	-	4,993	4,993	4,993
Computer maintenance	-	-	3,390	-	3,390	433	993	1,426	4,816
Office supplies	-	-	2,678	-	2,678	402	1,384	1,786	4,464
Travel	-	-	2,467	-	2,467	207	1,460	1,667	4,134
Insurance	-	-	2,674	-	2,674	371	1,078	1,449	4,123
Equipment maintenance	-	-	2,196	-	2,196	300	831	1,131	3,327
Depreciation	-	-	1,850	-	1,850	278	956	1,234	3,084
Dues and subscriptions	-	-	2,054	-	2,054	274	411	685	2,739
Staff development	-	-	1,658	-	1,658	226	630	856	2,514
Bank charges and fees	-	-	1,257	-	1,257	189	649	838	2,095
Community activities	-	-	881	-	881	98	-	98	979
Postage	-	-	338	-	338	76	338	414	752
Sponsorship fund expense	-	-	395	-	395	-	170	170	565
<b>Total Operations</b>	<b>-</b>	<b>-</b>	<b>63,814</b>	<b>27,274</b>	<b>91,088</b>	<b>13,036</b>	<b>37,072</b>	<b>50,108</b>	<b>141,196</b>
<b>United Way State and Worldwide Dues</b>	<b>-</b>	<b>-</b>	<b>13,741</b>	<b>-</b>	<b>13,741</b>	<b>1,874</b>	<b>5,206</b>	<b>7,080</b>	<b>20,821</b>
<b>Total</b>	<b>\$ 564,242</b>	<b>\$ 153,157</b>	<b>\$ 316,095</b>	<b>\$ 144,585</b>	<b>\$ 1,178,079</b>	<b>\$ 73,158</b>	<b>\$ 157,013</b>	<b>\$ 230,171</b>	<b>\$ 1,408,250</b>

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



**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

United Way of St. Lucie County, Inc. (the "Organization") is a nonprofit corporation organized in Florida in 1962, and located in Ft. Pierce, Florida. The Organization's primary purpose is to bring together, in a united appeal, all possible campaigns of community accepted health, welfare, and recreational agencies, including local, state, and national service organizations. The major source of funding is provided by annual fund-raising campaigns through businesses and individuals.

Cash and Cash Equivalents

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

Inventory

Inventory, determined by the first-in, first-out method, consists of donated school supplies and purchased school supplies. Donated inventory is recorded at the estimated fair market value at the time of donation.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible, unconditional promises to give receivable.

Estimates

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

Investments

Investments are reported in accordance with FASB ASC 320, *Investments in Debt and Equity Securities*. Under this topic, investments are recorded at the fair market value in the Statement of Financial Position. Realized and unrealized gains and losses are reflected in the Statement of Activity. Any donated investments are recorded as contributions equal to their market value at the date of receipt.

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fixed Assets

Equipment is recorded at cost or at estimated fair value at the time of the gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment is depreciated using the straight-line method, over lives of three to ten years. All assets purchased for greater than \$1,000 are capitalized.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**Net Assets With Donor Restrictions**

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Assets (Continued)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Contributions

As required by FASB ASC 958-605-15, *Revenue Recognition – Contributions*, the Organization accounts for contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Advertising Costs

Advertising costs are expensed as incurred. Advertising consists primarily of announcements and promotional articles published in local newspapers and public service announcements. Advertising expense was \$20,930 (\$17,124 in-kind) for the year ended June 30, 2020.

Donated Services

During the current fiscal year, United Way of St. Lucie County, Inc. received in-kind advertising for the purpose of promoting various program and special events. Donated services with an estimated fair value of \$17,124 are included in contributions in the Statement of Activities.

The Organization does not record donated services for any volunteers working in a nonprofessional capacity.

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses

The costs of the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between Program Services and Supporting Services benefited.

Income Taxes

The Organization is exempt from Federal income taxes, under the provisions of the Internal Revenue Code 501(c)(3) and is not considered a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). The tax periods open to examination in which the Organization is subject include the fiscal years ended June 30, 2017, 2018 and 2019. No uncertain tax positions within the scope of ASC 740 Accounting for Uncertainty in Income Taxes, existed as of June 30, 2020.

Fair Value Measurements

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of short-term investments.
- Recurring measurement of endowment investments.
- Recurring measurement of beneficial interests in trusts.

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE B – CASH**

Cash as reported on the Statement of Financial Position, includes the following:

Checking	\$	71,480
Money markets		467,002
Cash on hand		200
Total		\$ 538,682

Cash and cash equivalents are held in various financial institutions. At June 30, 2020, the Organization had \$388,824 on deposit in banks, \$81,611 of which was uninsured by the Federal Deposit Insurance Corporation. At June 30, 2020, the Organization had money market accounts insured by the SIPC totaling \$161,301. The money market accounts are SIPC insured up to \$250,000 for cash and \$500,000 per customer and the protection provided is only if the brokerage firm ceases doing business and not against losses from fluctuation in the value of the securities.

**NOTE C – PROMISES TO GIVE RECEIVABLE**

Unconditional promises to give at June 30, 2020 are as follows:

Campaign pledges:		
Receivable, due within one year	\$	509,616
Less allowance for uncollectible promises		(154,477)
Total		\$ 355,139

**NOTE D – INVESTMENTS**

Investments consist of corporate stocks. Investments are presented in the financial statements at market value. Investments are composed of the following:

	Cost	Market
Debt securities	\$ 784,347	\$ 781,549
Equity securities	974,385	1,177,417
Total	\$ 1,758,732	\$ 1,958,966

The Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the June 30, 2020. Level 2 is for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable and is used in situations for which there is little, if any, market activity for the investment.

The Organization's investments at June 30, 2020 as noted above were all level 1 investments.

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE D – INVESTMENTS (CONTINUED)**

The following is a summary of gains and losses on securities:

Net losses (realized and unrealized) for the year ended June 30, 2020     \$ (187,622)

Investment income includes interest income of \$2,539, dividend income of \$53,033 and is reported net of investment fees of \$17,292.

**NOTE E – CHANGES IN FIXED ASSETS**

A summary of changes in Fixed Assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Office equipment	\$ 47,727	\$ 2,123	\$ -	\$ 49,850
Accumulated depreciation	(35,149)	(3,084)	-	(38,233)
Fixed Assets, Net	\$ 12,578	\$ (961)	\$ -	\$ 11,617

**NOTE F – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 are:

Cash and equivalents	\$ 538,682
Investments	1,958,966
Receivables, net	360,035
Less amounts with donor restrictions	(402,364)
Less Board designated amounts	(1,471,665)
Total financial assets available for general expenditure	\$ 983,654

**NOTE G – PROMISES TO GIVE TO MEMBER AGENCIES**

The Organization has made promises to give amounts to member charitable agencies of \$476,668 generally to be paid in twelve equal monthly payments beginning in July 2020.

**NOTE H – RELEASE OF RESTRICTIONS**

Net assets were released from donor or grant restrictions by incurring expenses. For the year ending June 30, 2020, \$445,228 in Net Assets were released from restrictions due to the passage of time.

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE I – ASSETS WITH DONOR RESTRICTIONS**

Assets with donor restrictions at year-end consisted of the following:

	2020
Time Restriction	
Pledge Receivable	\$ 355,139
Split Interest Receivable	47,225
Donor Restricted Net Assets	\$ 402,364

**NOTE J – BOARD DESIGNATED ASSETS WITHOUT DONOR RESTRICTIONS**

The Board of Directors has designated amounts received from a bequest as a board designated endowment. Only the income from the funds will be used to support the general purposes of the Organization. As of June 30, 2020, board designated net assets relating to this endowment were \$1,471,665.

**NOTE K – RETIREMENT PLAN**

The Organization has a simplified employee pension plan, which covers substantially all full-time employees. Contributions are based on 5% of each covered employee’s salary. Pension plan expense for the year was \$18,033.

**NOTE L – SPLIT INTEREST AGREEMENTS**

The Organization is also a remainder beneficiary of a charitable remainder trust. A split interest agreement receivable of \$47,225 represents the estimated present value of the remainder interest under the trust where the Organization does not hold the assets of the trust. The present value was previously being computed using a discount rate of 7.00% through the prior fiscal year. In the current year, the termination process of the Trust began. In April, the Organization was informed of the amount to be distributed and the Trust incurred a loss.

Changes in the value of the split interest agreements of \$54,433 during the year are included in loss on remainder Trust.

**NOTE M – OPERATING LEASES**

In January 2019, the Organization entered into a 24-month business lease agreement for office space. The future minimum lease payments for the office space are as follows:

Year Ending June 30,	Future Minimum Lease Payments
2021	\$ 12,979

**United Way of St. Lucie County, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE M – OPERATING LEASES (CONTINUED)**

In March 2020, the Organization entered into a 39-month operating lease agreement for a new copier. The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Future Minimum Lease Payments</u>
2021	\$ 2,988
2022	2,988
2023	2,988
Total	<u>\$ 8,964</u>

**NOTE N – COVID-19 IMPACT**

Management anticipates a decline in revenues as the majority of the Organization’s revenues are collected through payroll deduction agreements. With high unemployment, management expects many of these agreements will be reduced or go unfulfilled. Unemployment has also affected tax collections, which will impact a major segment of the Organization’s campaign through local governments.

**NOTE O – LOAN PAYABLE**

On April 28, 2020, the Organization was granted a loan (the “Loan”) in the aggregate amount of \$84,500, 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, which was in the form of a Note matures on April 29, 2022 and bears interest at a rate of 1.00% per annum. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company intends to use the entire Loan amount for qualifying expenses. 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.

**NOTE P – SUBSEQUENT EVENTS**

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through November 12, 2020, the date that the financial statements were available to be issued.

Subsequent to year end, the Organization entered into an agreement to act as the fiscal agent for October 2020 thru September 2022. The Organization also entered into an agreement with the same entity to disburse CARES Act funding October 2020 thru December 2020. Both agreements result in the Organization collecting an agreed upon administrative fee.