ONE N TEN

FINANCIAL STATEMENTS

Year Ended December 31, 2020

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CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

ONE N TEN

We have audited the accompanying financial statements of ***One N Ten (a nonprofit organization)***, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and change in net assets, functional expenses, and cash flows 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.

Auditors' 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 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 ***One N Ten*** as of December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mayer Hoffman McCann P.C.

November 12, 2021

ONE N TEN

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	1,133,121
Pledges receivable		341,657
Prepaid expenses and deposits		22,500
TOTAL CURRENT ASSETS		1,497,278
CASH RESTRICTED TO INVESTMENT IN PROPERTY AND EQUIPMENT		100,000
INTEREST IN ARIZONA COMMUNITY FOUNDATION INVESTMENT POOLS		148,056
PROPERTY AND EQUIPMENT, net		319,736
TOTAL ASSETS	$	2,065,070

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	55,232
Accrued payroll and related liabilities		47,430
Deferred revenues		46,950
Deferred rent		39,185
Current maturities of PPP loan		21,678
TOTAL CURRENT LIABILITIES		210,475
PPP Loan, less current maturities		119,922
TOTAL LIABILITIES		330,397
NET ASSETS		
Without donor restrictions		1,273,511
With donor restrictions		461,162
TOTAL NET ASSETS		1,734,673
TOTAL LIABILITIES AND NET ASSETS	$	2,065,070

ONE N TEN

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND GAINS			
Contributions and donations	$ 552,259	$ 80,800	$ 633,059
Donated materials and services	70,312	-	70,312
Special events, net of expenses of $203,689	461,151	-	461,151
Grants	679,801	-	679,801
Interest and investment income	20,082	-	20,082
Other income	23,589	-	23,589
Net assets released from restriction	242,380	(242,380)	-
TOTAL REVENUE, SUPPORT AND GAINS	2,049,574	(161,580)	1,887,994
EXPENSES			
Program services	1,239,484	-	1,239,484
Suport services:			
Management and general	216,781	-	216,781
Fundraising	228,472	-	228,472
TOTAL EXPENSES	1,684,737	-	1,684,737
CHANGE IN NET ASSETS	364,837	(161,580)	203,257
NET ASSETS, BEGINNING OF YEAR	908,674	622,742	1,531,416
NET ASSETS, END OF YEAR	$ 1,273,511	$ 461,162	$ 1,734,673

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STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

		Support Services		
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 738,497	$ 114,562	$ 143,069	$ 996,128
Professional fees	92,778	66,854	28,348	187,980
Travel	4,915	98	204	5,217
Facilities	128,263	7,482	2,909	138,654
Group and community support	114,239	4,299	14,500	133,038
Depreciation	37,298	-	450	37,748
In-kind support	47,312	-	23,000	70,312
Marketing and public relations	16,221	15,000	6,071	37,292
Office	56,809	8,486	13,073	78,368
Events	3,152	-	200,537	203,689
	1,239,484	216,781	432,161	1,888,426
Less: Expenses netted against revenues on the statement of activites and change in net assts special event expenses	-	-	(203,689)	(203,689)
Total expenes included in the expense section of the statement of activities	$ 1,239,484	$ 216,781	$ 228,472	$ 1,684,737

ONE N TEN

STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 203,257
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	37,748
Realized and unrealized gains on investments	(18,037)
(Increase) Decrease in:	
Accounts receivable	44,117
Pledges receivable	33,403
Prepaid expenses and deposits	(7,719)
Increase (Decrease) in:	
Accounts payable and accrued expenses	21,985
Accrued payroll and related liabilities	(7,320)
Deferred revenue	(50,605)
Deferred rent	1,537
Net cash provided by operating activities	258,366
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(21,509)
Purchase of investments	(349)
Net cash used in investing activities	(21,858)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from PPP loan	141,600
Net cash provided by financing activities	141,600
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	378,108
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	855,013
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 1,233,121
Cash and cash equivalents	$ 1,133,121
Cash restricted to investment in property and equipment	100,000
Total cash and cash equivalents and restricted cash	$ 1,233,121

See Notes to Financial Statements

(1) <u>Operations and summary of significant accounting policies</u>

One N Ten (the “Organization”) was incorporated in 1993 as a nonprofit 501(c)(3) community based agency dedicated to serving and assisting lesbian, gay, bisexual, transgender, and questioning (LGBTQ) youth in the metropolitan Phoenix area. The Organization's mission is "to serve LGBTQ youth and young adults; enhancing their lives by providing empowering social and service programs that promote self-expression, self-acceptance, leadership development and healthy life choices." The Organization provides services ranging from providing weekly discussion groups designed to cover a wide range of social, educational, health, and community issues to offering social networking opportunities appropriate for developing leadership skills. The services are delivered in a variety of formats. The Organization derives program funding from both private donations and contracts and fees.

The significant accounting policies followed by the Organization are summarized below:

Basis of presentation – The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under FAS ASC 958-205, the Organization is required to report 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.

The Organization maintains its account 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 and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restriction and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain granter) 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.

Management’s use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash includes cash and, at times, cash equivalents, which consist of highly liquid financial instruments purchased with original maturities of three months or less. Deposits at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (“FDIC”).

Contributions and grants – The Organization evaluates grants and contributions for evidence of the transfer of commensurate value from the Organization to the resource provider. The transfer of commensurate value from the Organization to the resource provider may include instances when a) the goods or services provided by the Organization directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by the Organization. When such factors exist, the Organization accounts for the grants or contributions as exchange transactions under ASC 606, *Revenue from Contracts with Customers*, or other appropriate guidance. In the absence of these factors, the Organization accounts for the award under the contribution accounting model.

(1) Operations and summary of significant accounting policies (continued)

In the absence of the transfer of commensurate value from the Organization to the resource provider, the Organization evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for the Organization or the right of return from the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both the Organization and resource provider whether the threshold has been met and when. These factors may include measurable performance thresholds or limited discretion on the part of the Organization to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional.

The Organization accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions. Contributions with donor restrictions, where restrictions are fulfilled in the same period in which the contribution is received, are shown as additions to contributions without donor restrictions.

During the year ended December 31, 2020, the Organization received approximately $89,000 in total support from Board members.

Special events revenue – The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events which ultimately benefit the donor rather than the Organization are recorded as costs of direct donor benefits. All proceeds received in excess of the direct costs are recorded as special events revenue in the accompanying statement of activities and change in net assets. Any special events revenue received prior to the events would be recorded as deferred revenue in the accompanying statement of financial position until the event occurs, at which time it would be recognized as special events revenue.

Promises to give – Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management’s assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Organization’s past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable’s collectability. Amortization of any discount is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

(1) Operations and summary of significant accounting policies (continued)

Credit risk on pledges receivable is considered by management to be limited due to prior collection history with these donors and their standing in the community. However, management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. At December 31, 2020, pledges receivable are considered by management to be fully collectible, and accordingly, an allowance for uncollectible pledges is not considered necessary. All pledges receivable are due within one year.

Donated materials and services – Donated materials are recorded at their estimated fair value at the date of receipt. Donated services are recognized as contributions in accordance with FASB 958-605 if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased.

Contributed goods and services consisted of the following for the year ended December 31, 2020:

	Programs	Management and General	Fundraising	Total
Food	$ 2,309	$ -	$ -	$ 2,309
Group support cost	45,003	-	-	45,003
Total program and support service expenses	$ 47,312	$ -	$ -	47,312
Direct benefit expenses, netted with special event revenue				23,000
Total				$ 70,312

Numerous volunteers have donated significant amounts of time to perform a variety of tasks that assist the Organization with specific programs, campaign solicitations, and various committee assignments. This support has not been recorded as a component of contributions as it does not meet the recognition criteria under FASB ASC 958-605.

Investments and fair value measurement – The Organization determines the fair value of its investments held in the Arizona Community Foundation (“ACF”) investment pools based on its investment percentage in the respective investment pools. ACF implements an investment strategy for these pooled funds that includes equity and fixed income investments.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

FASB ASC 820, *Fair Value Measurement*, establishes a common definition for fair value to be applied to accounting principles generally accepted in the United States of America requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

(1) Operations and summary of significant accounting policies (continued)

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

Other than the investment in the ACF pools described above, the Organization has no financial instruments subject to fair value measurement on a recurring basis.

Property and equipment and related depreciation – Purchased property and equipment is valued at cost. Maintenance and repairs are charged to operations when incurred. Generally, property and equipment in excess of $1,000 is capitalized. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations. Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives:

	Useful Life
Leasehold improvements	12 years
Furniture and equipment	5 - 7 years

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions 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 contributions with donor restrictions 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 net assets with donor restrictions to net assets without donor restrictions at that time.

Impairment of long-lived assets – The Organization accounts for long-lived assets in accordance with the provisions of FASB ASC 360, *Property, Plant and Equipment*. FASB ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded for the year ended December 31, 2020.

Deferred rent – The Organization accounts for rent expense evenly over the term of the lease using the straight-line method. For the year ended December 31, 2020, unamortized deferred rent was $39,185.

Functional expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and change in net assets. The statement of functional expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and support services benefited based on full-time equivalents, physical usage and square footage. General and administrative expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Organization.

(1) Operations and summary of significant accounting policies (continued)

The expenses that are allocated include the following:

Salaries & personnel costs and employee related expenses	Time incurred
Professional fees and office expenses	Number of full time employees
Depreciation and facilities expense	Use by program

Advertising – Advertising costs are charged to operations when incurred. Advertising expense charged to operations was $6,292 for the year ended December 31, 2020.

Income tax status – The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and, accordingly, there is no provision for income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income would be taxable. The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

The Organization's federal Return of Organizations Exempt from Income Tax (Form 990) for 2019, 2018 and 2017 are subject to examination by the IRS, generally for three years after they were filed. As of the date of this report, the 2020 informational return had not yet been filed.

Recent accounting pronouncements – In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842).* ASU 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of activities upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2019 unless the entity adopts the provisions of ASU No. 2020-05. Early adoption is permitted. The Organization is currently evaluating the impact that this ASU will have on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires that gifts-in-kind to be presented as a separate line item on the statement of activities. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with the following disclosures made for each category:

- Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, the entity will be required to disclose a description of the programs or other activities in which those assets were used.
- The entity's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
- A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
- A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition.
- The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

ASU 2020-07 is required to be adopted for annual reporting periods beginning after June 15, 2021 and shall be applied retrospectively to all periods presented. The Organization is currently evaluating the impact that ASU 2020-07 will have on the financial statements.

(1) Operations and summary of significant accounting policies (continued)

Paycheck protection program loan – The Organization applied for and received a forgivable Paycheck Protection Program ("PPP") Loan provided under the Federal Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs and that certain employment levels are maintained. The Organization has elected to account for the PPP Loan as debt and therefore the related forgiveness will be recorded upon the date the Organization is legally released from the obligation.

Subsequent events – The Organization has evaluated subsequent events through November 12, 2021, which is the date the financial statements were available to be issued.

(2) Investments

FASB ASC 958-605 *Not-for-Profit Entities – Revenue Recognition*, establishes accounting standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. FASB ASC 958-605 specifically requires that if a not-for-profit organization ("NPO") establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the NPO must record the fund as an asset and the community foundation must account for the fund as a liability. The Organization has such funds with ACF. The Organization's funds at ACF are pooled with other funds at ACF to be invested. ACF holds these assets as funds with the income and principal available for distribution to the Organization subject to the Organization's board of director's approval and subject to the Organization advising that the distribution be made in accordance with the provisions of the agreement.

In accordance with FASB ASC 820, the investments in ACF are excluded from the fair value measurements leveling disclosures. The Organization determines the fair value of its investments held by ACF based on its investment percentage in the respective consolidated investment pools. ACF implements an investment strategy for these pooled funds that includes equity and fixed income funds. There are no unfunded commitments associated with the investments held at ACF and redemptions are permitted upon request.

Investments are held to provide secure long-term funding for the mission of the Organization, therefore investments are classified as long-term assets in the accompanying statement of financial position.

(3) Property and equipment

Property and equipment consists of the following at December 31, 2020:

Cost and donated value:	
Leasehold improvements	$ 410,427
Furniture and equipment	29,665
Total cost and donated value	440,092
Less: Accumulated depreciation	(120,356)
Net property and equipment	$ 319,736

Depreciation expense charged to operations was $37,748 for the year ended December 31, 2020.

(4) Net assets

Net assets with donor restrictions are restricted for the following uses as of December 31, 2020:

Youth center expansion	$ 100,000
Housing	10,625
Planned gift manager	120,000
Yes program	230,537
Total	$ 461,162

Net assets released from restrictions were $242,380 for the year ended December 31, 2020 and consisted primarily of amounts used for satellite sites and the Yes program.

(5) Commitments, contingencies, risk and uncertainties

Operating leases – The Organization leases various equipment, program facilities, and office space under the provisions of non-cancelable operating leases expiring through August 2029. Future minimum rental payments under the non-cancelable operating leases are as follows:

Years Ending December 31,	Amount
2021	$ 84,300
2022	87,000
2023	87,900
2024	88,900
2025	96,700
Thereafter	371,000
Total minimum payments	$ 815,800

Rental expenses under the terms of the operating leases were $92,910 for the year ended December 31, 2020.

The Organization subleases certain space to an unrelated third-party under a non-cancelable sublease agreement expiring August 2022. Minimum future tenant use fees under the sublease agreement are as follows:

Years Ending December 31,	Amount
2021	$ 14,400
2022	8,400
Total minimum payments	$ 22,800

The Organization earned tenant use fees of $14,400 under this agreement during the year ended December 31, 2020, which is included in other revenue in the accompanying statement of activities and change in net assets.

Litigation – Periodically, the Organization may become involved in litigation and claims arising in the normal course of operations. The Organization is currently not involved in any such litigation which management believes could have a material adverse effect on its financial statements.

(5) Commitments, contingencies, risk and uncertainties (continued)

COVID-19 – On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which has impacted global business operations. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the individuals it serves, employees and vendors, all of which are uncertain and cannot be predicted. Additionally the outbreak could impact the Organization's ability to serve individuals and generate revenue and cash flow, current or future funding and collection of pledges receivable.

In response to the pandemic, the U.S. government has enacted fiscal and monetary stimulus measures to counteract the disruption caused by COVID-19. The Organization applied for and received a forgivable PPP Loan of $141,600 as provided for under the CARES Act and the loan was funded on April 21, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period and certain employment levels are maintained. To the extent a portion of the loan does not meet the criteria to be forgiven, such amount is due in April 2022 and carries an interest rate of 1%. Monthly principal and interest payments are due beginning ten months after the end of the borrower's covered period. Through December 31, 2020, the Organization used all of the proceeds for eligible costs. In February 2021 a formal forgiveness request was submitted and the loan was forgiven in full, at which time a gain on forgiveness was recorded.

As of the date the financial statements were available to be issued, the Organization's operations have not been significantly negatively impacted. However, the Organization continues to closely monitor the situation. Depending on the severity and duration of the pandemic, the Organization could experience a material negative impact to operations, cash flows and financial condition. However, the extent of the impact cannot be reasonably estimated at this time.

(6) Concentrations

The Organization received approximately 10% of revenues from one donor for the year ended December 31, 2020. Approximately 50% of the pledges receivable balance was due from three donors as of December 31, 2020.

(7) Liquidity and availability of resources

Financial assets available for general expenditure that is without donor or other restrictions limiting their use, within one year of the statement of financial position date are as follows:

Cash and cash equivalents	$ 1,133,121
Cash restricted for investment in property and equipment	100,000
Pledges receivable	341,657
Total financial assets	1,574,778
Less:	
Net assets with donor restrictions	(461,162)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,113,616

(7) Liquidity and availability of resources (continued)

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(8) Retirement plan

Effective January 2019, the Organization elected to participate in a multi-employer 401(k) plan. Under the provisions of the plans, employees who are at least 21 years of age and have provided at least one year of service in which they completed 1,000 hours of service are eligible to participate. The Organization matches employee deferrals into the plan at the discretion of management and the Board of Directors. During 2020, the Organization made no matching contributions.