

Equine-Assisted Therapies of South Florida, Inc.

Financial Statements
June 30, 2020 and 2019

Equine-Assisted Therapies of South Florida, Inc.

Financial Statements
June 30, 2020 and 2019

Table of Contents

Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-14



INDEPENDENT AUDITORS' REPORT

Board of Directors
Equine-Assisted Therapies of South Florida, Inc.
Pompano Beach, Florida

Report on the financial statements

We have audited the accompanying financial statements of Equine-Assisted Therapies of South Florida, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statement of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statement

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 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 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 statement.

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 of Equine-Assisted Therapies of South Florida, Inc. referred to above present fairly, in all material respects, the financial position as of June 30, 2020 and 2019, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lanzaro & Halperin, CPAs P.A.

LANZARO & HALPERIN CPA's PA
Boca Raton, Florida
November 27, 2020

Equine-Assisted Therapies of South Florida, Inc.
Statement of Financial Position
June 30, 2020
(with summarized financial information as of June 30, 2019)

	<u>2020</u>	<u>2019</u>
Assets:		
Cash and cash equivalents	\$ 609,374	\$ 499,213
Investments	291,993	73,326
Promises to give	200,000	-
Prepays and other assets	7,041	7,433
Property and equipment, net	<u>1,153,860</u>	<u>1,227,402</u>
Total assets	<u>\$ 2,262,268</u>	<u>\$ 1,807,374</u>
Liabilities:		
Accounts payable and accrued expenses	\$ 1,613	\$ 19,717
Refundable advances and deferred revenues	9,068	85,165
Note payable	<u>64,341</u>	<u>-</u>
Total liabilities	<u>75,022</u>	<u>104,882</u>
Net Assets:		
Without donor restrictions:		
Undesignated	<u>1,302,136</u>	<u>1,335,509</u>
Total without donor restrictions	<u>1,302,136</u>	<u>1,335,509</u>
With donor restrictions:		
Purpose and time restrictions	500,000	32,731
Perpetual in nature	<u>385,110</u>	<u>334,252</u>
Total with donor restrictions	<u>885,110</u>	<u>366,983</u>
Total net assets	<u>2,187,246</u>	<u>1,702,492</u>
Total liabilities and net assets	<u>\$ 2,262,268</u>	<u>\$ 1,807,374</u>

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

Equine-Assisted Therapies of South Florida, Inc.
Statement of Activities
For the Year Ending June 30, 2020
(with summarized financial information for the year ended June 30, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Public Support and Revenues:				
Grants and contributions	\$ 437,544	\$ 540,000	\$ 977,544	\$ 502,769
Program fees and other	56,035	-	56,035	26,520
Special event revenue	124,931	-	124,931	111,714
Less: direct event expense	(46,994)	-	(46,994)	(44,503)
Investment income, net	-	10,858	10,858	8,936
Miscellaneous	1,314	-	1,314	1,055
Net assets released from restrictions	32,731	(32,731)	-	-
Total public support and revenues	<u>605,561</u>	<u>518,127</u>	<u>1,123,688</u>	<u>606,491</u>
Expenses:				
Program services	550,367	-	550,367	521,940
Supporting services:				
Management and general	45,578	-	45,578	84,077
Fundraising	42,989	-	42,989	47,064
Total expenses	<u>638,934</u>	<u>-</u>	<u>638,934</u>	<u>653,081</u>
Change in net assets	<u>(33,373)</u>	<u>518,127</u>	<u>484,754</u>	<u>(46,590)</u>
Net Assets, Beginning of Year	<u>1,335,509</u>	<u>366,983</u>	<u>1,702,492</u>	<u>1,749,082</u>
Net Assets, End of Year	<u>\$ 1,302,136</u>	<u>\$ 885,110</u>	<u>\$ 2,187,246</u>	<u>\$ 1,702,492</u>

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

Equine-Assisted Therapies of South Florida, Inc.
Statement of Functional Expenses
For the Year Ending June 30, 2020
(with summarized financial information for the year ended June 30, 2019)

	<u>Supporting Services</u>				<u>Total 2020</u>	<u>Total 2019</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>			
Barn Supplies	\$ 7,723	\$ -	\$ -	\$ 7,723	\$ 5,436	
Board Meeting Expense	-	360	-	360	2,504	
Business Development	-	11	-	11	1,455	
Contract Labor	30,281	1,211	1,558	33,050	30,785	
Credit Card Processing	2,755	-	1,321	4,076	4,309	
Depreciation	73,542	-	-	73,542	71,408	
Dues and Subscriptions	1,008	-	-	1,008	2,040	
Education and Training	2,048	-	-	2,048	360	
Equipment Maintenance	4,881	-	-	4,881	4,296	
Equipment and Rental	6,065	-	-	6,065	6,491	
Horse Expenses	84,453	-	-	84,453	69,514	
Insurance	9,649	509	-	10,158	11,599	
Master Maintenance	19,190	-	-	19,190	17,888	
Miscellaneous	4,726	-	-	4,726	3,071	
Office Expenses	13,474	3,139	248	16,861	17,316	
Postage and Shipping	1,090	327	692	2,109	2,348	
Professional Fees	-	3,980	-	3,980	3,980	
Program Expenses	2,765	-	-	2,765	8,628	
Salaries and Wages	267,891	30,211	37,294	335,396	363,731	
Special events	-	-	46,994	46,994	44,503	
Telephone	10,609	4,542	1,031	16,182	13,674	
Utilities	7,674	1,288	845	9,807	10,745	
Volunteer Expenses	543	-	-	543	1,503	
Total expenses by function	<u>550,367</u>	<u>45,578</u>	<u>89,983</u>	<u>685,928</u>	<u>697,584</u>	
Less expenses included with revenues on the statement of activities:						
Direct costs - special events	<u>-</u>	<u>-</u>	<u>(46,994)</u>	<u>(46,994)</u>	<u>(44,503)</u>	
Total expenses included in the expense section on the statement of activities	<u>\$ 550,367</u>	<u>\$ 45,578</u>	<u>\$ 42,989</u>	<u>\$ 638,934</u>	<u>\$ 653,081</u>	

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

Equine-Assisted Therapies of South Florida, Inc.
Statement of Cash Flows
For the Year Ending June 30, 2020
(with summarized financial information for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 484,754	\$ (46,590)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for depreciation	73,542	71,408
Net realized/unrealized gain on investments	(8,355)	(6,432)
(Increase) decrease in assets:		
Promises to give	(200,000)	-
Prepays and other assets	392	(436)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(18,104)	16,706
Refundable advances and deferred revenue	(76,097)	16,805
	<u>256,132</u>	<u>51,461</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	-	(26,357)
Purchases and sales of investments, net	(210,312)	(66,894)
	<u>(210,312)</u>	<u>(93,251)</u>
Cash Flows From Financing Activities:		
Borrowings on note payable	64,341	-
	<u>64,341</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	110,161	(41,790)
Cash and Cash Equivalents, Beginning of Year	<u>499,213</u>	<u>541,003</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>609,374</u></u>	\$ <u><u>499,213</u></u>

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

Note 1 - Organization and Operations

Nature of activities: Equine-Assisted Therapies of South Florida is dedicated to providing therapeutic riding and equine-activities to children and adults with special needs so that they may improve physically, mentally and emotionally.

Equine-Assisted Therapies of South Florida, Inc. (the "Organization") is a Florida not-for-profit organization incorporated on July 6, 1982. The Organization is governed by a Board of Directors for the purpose of providing Equine-Assisted activities and therapy for clients of all ages with special needs, particularly children that are striving to overcome challenges brought on by physical, mental and emotional disabilities such as Cerebral Palsy, Autism, Down syndrome, and developmental delay. In addition, adults with Parkinson's, Stroke and many other challenges benefit from Equine-Assisted therapy as well.

The Organization offers unique and integrated programs that provide riders with equine activities six days a week at their Tradewinds Park location in Broward County, Florida. Therapeutic riding, hippotherapy and equine facilitated learning and psychotherapy are widely recognized as beneficial forms of recreational therapy. A heavy emphasis is placed on preparing young people for effective adult living and the development of self-confidence and an enhanced value of self-esteem, self-discipline and improved concentration.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation: Financial statement presentation follows the recommendation of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Update ("ASU") No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU No. 2016-14, 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.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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 (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 - Summary of Significant Accounting Policies (continued)

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash and cash equivalents: The Organization considers all accounts maintained at financial institutions with a maturity of three months or less when purchased to be cash equivalents

Property and equipment: The Organization capitalizes property and equipment in excess of \$ 500. Property and equipment are stated at cost or, if donated to the Organization, at estimated fair value at the date of the donation. If donors stipulate the period of time during which the assets must be used, the contributions are recorded as support with donor restrictions and released as the restrictions expire. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions when placed in service. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets which are as follows:

Barn and improvements	25 years
Computer software and equipment	5-7 years
Horses	5 years
Office building	31 years
Covered arena	25 years

The Organization established a policy that any horse contributions are evaluated on a case by case basis to determine whether to include the donation of a long-lived asset at fair market value on the financial statements. Horses are either purchased, donated or accepted on a free lease program. The free lease program is one in which the owner maintains ownership and costs are covered by the Organization during the horse's tenure at their facility. The Organization currently has fair title and possession of eleven horses as of June 30, 2020 and 2019.

Investments: The Organization reports its investments in equity securities at fair value in the Statement of Financial Position. Investment gains (losses) (including realized and unrealized gains and losses on investments, interest and dividends) are included in the Statement of Activities under the caption "Investment income, net".

Refundable advances and deferred revenue: Grant revenue (i.e. advances) that have not been recognized because the allowable costs, as defined by the individual grant, have not been incurred and/or the units of service have not been rendered is considered deferred revenue.

Functional expenses: The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and wages, professional fees, insurance, depreciation, among other expenses; which are allocated on the basis of estimates of time and effort, square footage basis, as well as other methods as determined by management.

Note 2 - Summary of Significant Accounting Policies (continued)

Contributed goods and services: Contributed services are reported as contributions at their estimated fair value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. Contributed goods are recorded at their estimated fair market value when received.

The Organization receives donated services from a variety of unpaid volunteers assisting in the Organization's programs, day-to-day operations, and fundraising projects. These services are not reflected in the accompanying financial statements because the criteria for recognition of such volunteer hours have not been met. 8,063 hours have been donated from individual volunteers and 453 service hours have been donated by corporate or school-based Day of Service groups. Due to the COVID-19 pandemic, volunteers were not permitted on site from March until July, impacting the level of donated service hours for the year 2019-2020.

Income taxes: The Organization is a not-for-profit corporation which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, accordingly, generally would not incur income taxes. As a result, the financial statements do not reflect a provision for income taxes. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal Exempt Organization Business Income Tax Return (Form 990) for 2019, 2018, and 2017 are subject to examination by the IRS, generally for three years after they are filed.

Concentration of credit risk and market risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash deposits in excess of the Federal Deposit Insurance Corporation (the "FDIC") insured limits. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. Investments are held in brokerage accounts protected by the Securities Investor Protection Corporation ("SIPC") in the event of broker-dealer failure, up to \$ 500,000 of protection for each brokerage account. The SIPC insurance does not protect against market losses in investments. The Organization has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

Reclassifications: Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Use of estimates: The Organization makes estimates and assumptions that effect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Summarized prior year information: The financial statements include summarized comparative information from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with generally accepted accounting principles. This information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2019 from which the comparative information was extracted.

Recently issued accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*, (ASU 2014-09), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers, and replaces most existing revenue recognition guidance. On June 3, 2020, the FASB issued ASU No 2020-05, *Effective Dates for Certain Entities*, which provides non-public business entities the ability to defer the adoption of ASU 2014-09 to fiscal years beginning after December 15, 2019. The Organization expects to adopt ASU2014-09 in fiscal year 2021 and is currently evaluating the impact of this standard on its financial statements.

Date of management review: Subsequent events were evaluated by management through November 27, 2020 which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date as of June 30, 2020 comprise the following:

	<u>2020</u>
Financial Assets:	
Cash and cash equivalents	\$ 609,374
Investments	291,993
Promises to give	<u>200,000</u>
Financial Assets, at year-end	<u>1,101,367</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Purpose and time restrictions by donor	(500,000)
Perpetual restrictions by donor	<u>(385,110)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 216,257</u>

Equine-Assisted Therapies of South Florida, Inc.
Notes to Financial Statements
June 30, 2020

Note 4 - Property and Equipment

Property and equipment consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Barn and improvements	\$ 169,986	\$ 169,986
Computer software and equipment	85,558	85,558
Horses	62,000	62,000
Office building	867,823	867,823
Covered arena	629,212	629,212
	<u>1,814,579</u>	<u>1,814,579</u>
Less accumulated depreciation	<u>(660,719)</u>	<u>(587,177)</u>
	<u>\$ 1,153,860</u>	<u>\$ 1,227,402</u>

Note 5 - Investments

Investment income, net, relative to these investments held and sold during the year, and other equivalents, is comprised of the following for the years ending June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Net realized and unrealized gain	\$ 8,355	\$ 6,432
Interest and dividends	5,382	2,721
Fees and other	<u>(2,879)</u>	<u>(217)</u>
Total	<u>\$ 10,858</u>	<u>\$ 8,936</u>

Investments are presented in the financial statements at their estimated fair market values and consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Equities	\$ <u>291,993</u>	\$ <u>73,326</u>
Total	<u>\$ 291,993</u>	<u>\$ 73,326</u>

Note 6 - Fair Value Measurements

In accordance with the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 820, *Fair Value Measurement and Disclosures*, the Organization provides certain disclosures based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Note 6 - Fair Value Measurements (continued)

Various inputs are used in determining the value of the Organization’s investments. These inputs are summarized in three levels listed below:

- Level 1 - inputs are quoted market prices (unadjusted) in active markets for identical investments that the reporting entity can access at the measurement date.
- Level 2 - inputs are other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices.)
- Level 3 - inputs that are unobservable for the investments. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. At June 30, 2020 and 2019, the fair value of investments by type was as follows:

Investment Type	2020		2019	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Equities	\$ 291,993	\$ 291,993	\$ 73,326	\$ 73,326
Total	\$ 291,993	\$ 291,993	\$ 73,326	\$ 73,326

Equine-Assisted Therapies of South Florida, Inc.
Notes to Financial Statements
June 30, 2020

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes, or period of time, as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Scholarships and operations	\$ <u>500,000</u>	\$ <u>32,731</u>
Endowments (Note 8):		
Required to be held in perpetuity by donor for specified purpose:		
Scholarships and operations	<u>385,110</u>	<u>334,252</u>
Total	\$ <u><u>885,110</u></u>	\$ <u><u>366,983</u></u>

Note 8 - Endowment Funds

Certain net assets with donor restrictions at June 30, 2020 and 2019 include endowment funds established for scholarships and operations. Contributions to the endowment funds are subject to donor restrictions that stipulate the original principal of the gifts are to be held and invested by the Organization indefinitely and income from the funds to be expended for the established purpose of the endowment. Contributions to the endowment funds are classified as net assets with donor restrictions. Income from the funds is classified with net assets with donor restrictions until the purpose of the restriction is satisfied. When the purpose of the restriction is met, the net assets are reclassified to net assets without donor restrictions.

Interpretation of relevant law: Previously, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The investment policies adopted by the Organization are designed to comply with FUPMIFA. The investment committee of the Organization has the responsibility of monitoring investment activities and the performance of any investment advisors selected by the Organization. In carrying out their duties, the investment committee acts in accordance with FUPMIFA.

Spending policy: The Organization has a policy that is dictated by the specific needs of the purpose(s) or program(s) designated by the donors or Board of Directors.

Objectives: The Organization has adopted investment policies that attempt to maximize long-term preservation, growth of capital and stability of returns. It is expected that the asset value of the funds, exclusive of contributions or withdrawals, should grow in the long run and earn through a combination of investment income and capital appreciation a rate of return in excess of a balanced market index while incurring less risk than such index.

Note 8 - Endowment Funds (continued)

Changes in endowment net assets as of June 30, 2020 and 2019 are as follows:

	With Donor Restrictions	
	2020	2019
Endowment net assets, beginning of year	\$ 334,252	\$ 290,000
Contributions	40,000	36,000
Interest and dividends	5,382	2,037
Fees and other	(2,879)	(217)
Net realized and unrealized gain	8,355	6,432
Appropriation of endowment assets for expenditures (distributions), net	-	-
Endowment net assets, end of year	\$ <u>385,110</u>	\$ <u>334,252</u>

Note 9 – Note Payable

In March 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a pandemic, which started to and continues to spread throughout the United States of America. The spread of COVID-19 has caused significant volatility in the U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as the impact on the U.S. and international economies.

On March 27, 2020, the United States enacted the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The CARES Act is an emergency economic stimulus package that includes spending and tax breaks to strengthen the United States economy and fund a nationwide effort to curtail the effect of COVID-19.

During the year ended June 30, 2020, the Organization applied for funding under the Paycheck Protection Program (“PPP”) loan program available under the CARES Act in the amount of \$64,341, which was approved on May 3, 2020 (the “Note Payable”).

Payments of principal and interest commence on November 1, 2020 through maturity on May 3, 2022. The Note Payable accrues interest at a fixed rate of 1.0%, compounded daily. The Organization may be eligible for loan forgiveness under the PPP program if the funds are utilized towards forgivable purposes such as payroll and benefit costs, mortgage interest, rent, utilities, interest, and other qualified expenses as defined in the PPP loan agreement. As of June 30, 2020, the Organization believes it will meet the requirements to have the Note Payable forgiven.

Note 10 – Promises to Give

Outstanding promises receivable from a certain foundation at June 30, 2020 was as follows:

	<u>2020</u>
Receivable in less than one year	\$ 50,000
Receivable in one to three years	<u>150,000</u>
Total unconditional promises to give at face value	<u>\$ 200,000</u>