SCHALL & ASHENFARB Certified Public Accountants, LLC

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includenyc
Love, equity, and access for young people with disabilities

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.
d/b/a INCLUDEnyc

Audited Financial Statements

December 31, 2019
and
December 31, 2018

307 Fifth Avenue, 15th Floor
New York, New York 10016
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Resources for Children with Special Needs, Inc.
d/b/a INCLUDEnyc

Report on the Financial Statements

We have audited the accompanying financial statements of Resources for Children with Special Needs, Inc. d/b/a INCLUDEnyc (the "Organization"), which comprise the statements of financial position as of December 31, 2019 and December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 organization'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 organization'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resources for Children with Special Needs, Inc. d/b/a INCLUDEnyc as of December 31, 2019 and December 31, 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

April 14, 2020

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.
d/b/a INCLUDEnyc
STATEMENTS OF FINANCIAL POSITION
AT DECEMBER 31, 2019 AND 2018

	12/31/19	12/31/18
Assets		
Cash and cash equivalents	$331,845	$466,973
Government grants receivable	1,178,870	720,624
Contributions receivable	266,679	142,291
Investments (Note 3)	1,061,470	879,544
Security deposit and prepaid expenses	60,690	45,588
Fixed assets, net of accumulated depreciation (Note 4)	15,282	25,338
Total assets	$2,914,836	$2,280,358
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$115,192	$129,771
Deferred rent	27,285	35,318
Total liabilities	142,477	165,089
Net assets:		
Without donor restrictions	2,018,284	1,676,334
With donor restrictions:		
For future programs and time periods (Note 5)	557,667	268,500
Donor restricted endowment (Notes 5 and 6)	196,408	170,435
Total net assets with donor restrictions	754,075	438,935
Total net assets	2,772,359	2,115,269
Total liabilities and net assets	$2,914,836	$2,280,358

The attached notes and auditor's report are an integral part of these financial statements.

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.
d/b/a INCLUDEnyc
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	12/31/19	12/31/18*
Changes in net assets without donor restrictions:		
Support and revenue:		
Government grants	$2,219,688	$2,210,426
Foundation contributions	326,500	108,159
Individual donations	297,854	200,629
In-kind contributions (Note 9)	49,255	6,700
Program service revenue	63,735	64,135
Special events proceeds (net of expenses with a direct benefit to donor) (Note 10)	162,754	235,256
Interest income	25,068	14,333
Net assets released from restrictions (Note 5)	486,833	425,000
Total support and revenue without donor restrictions	3,631,687	3,264,638
Expenses:		
Program services	2,548,848	2,465,573
Management and general	445,817	321,618
Fundraising	378,161	352,472
Total expenses	3,372,826	3,139,663
Net increase in net assets without donor restrictions from operations	258,861	124,975
Non-operating activities:		
Realized and unrealized gain/(loss) on investments	83,089	(52,852)
Total non-operating activities	83,089	(52,852)
Net increase in net assets without donor restrictions	341,950	72,123
Changes in net assets with donor restrictions:		
Foundation contributions	776,000	228,500
Interest income	6,003	6,741
Realized and unrealized gain/(loss) on investments	19,970	(25,084)
Net assets released from restrictions	(486,833)	(425,000)
Net increase/(decrease) in net assets with donor restrictions	315,140	(214,843)
Net increase/(decrease) in total net assets	657,090	(142,720)
Net assets - beginning of year	2,115,269	2,257,989
Net assets - end of year	$2,772,359	$2,115,269

* Reclassified for comparative purposes

The attached notes and auditor's report are an integral part of these financial statements.

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.
d/b/a INCLUDEnyc
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	December 31, 2019				December 31, 2018			
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$1,600,238	$228,985	$224,761	$2,053,984	$1,552,399	$170,062	$225,376	$1,947,837
Payroll taxes and benefits (Note 8)	351,142	50,246	49,320	450,708	327,538	35,881	47,552	410,971
Total personnel services	1,951,380	279,231	274,081	2,504,692	1,879,937	205,943	272,928	2,358,808
Printing, design and promotion	29,827	1,615	17,949	49,391	30,328	682	8,040	39,050
Occupancy	200,834	28,739	28,208	257,781	188,524	20,653	27,370	236,547
Sub-contractors	71,983			71,983	83,186			83,186
Professional fees and consultants	62,675	69,225	21,862	153,762	97,109	43,200	5,733	146,042
Postage, delivery and fulfillment	3,353	731	2,728	6,812	9,156	671	2,999	12,826
Equipment lease and rentals	39,285	4,831	5,229	49,345	19,353	1,481	2,627	23,461
Credit card processing fees		4,109		4,109		11,587		11,587
Dues and membership fees	766	1,112	657	2,535	410	1,013	624	2,047
Insurance	7,629	4,506	896	13,031	10,070	724	1,403	12,197
Office supplies and website	45,403	36,691	15,233	97,327	50,963	27,489	9,798	88,250
Program supplies	40,688			40,688	23,822			23,822
Space rentals	13,052			13,052	14,459			14,459
Telephone and communications	29,007	4,151	4,074	37,232	26,544	2,908	3,854	33,306
Travel, conference and meetings	45,131	7,200	699	53,030	23,698	4,389	1,815	29,902
Special event expenses (Note 10)			43,258	43,258			62,473	62,473
Bad debt expense		2,555		2,555				0
Depreciation	7,835	1,121	1,100	10,056	8,014	878	1,164	10,056
Total expenses	2,548,848	445,817	415,974	3,410,639	2,465,573	321,618	400,828	3,188,019
Less: direct special event expenses netted with revenue (Note 10)			(37,813)	(37,813)			(48,356)	(48,356)
Total expenses for statement of activities	$2,548,848	$445,817	$378,161	$3,372,826	$2,465,573	$321,618	$352,472	$3,139,663

The attached notes and auditor's report are an integral part of these financial statements.

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.
d/b/a INCLUDEnyc
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	12/31/19	12/31/18
Cash flows from operating activities:		
Change in net assets	$657,090	($142,720)
Adjustments to reconcile change in net assets		
to net cash (used for)/provided by operating activities:		
Depreciation	10,056	10,056
Realized and unrealized (gain)/loss on investments	(103,059)	77,936
Contribution restricted for equipment	(10,000)	(10,000)
Changes in assets and liabilities:		
Government grants receivable	(458,246)	180,182
Contributions receivable	(124,388)	33,790
Security deposit and prepaid expenses	(15,102)	1,380
Accounts payable and accrued expenses	(14,579)	40,805
Deferred rent	(8,033)	(4,708)
Total adjustments	(723,351)	329,441
Net cash (used for)/provided by operating activities	(66,261)	186,721
Cash flows from investing activities:		
Purchase of investments	(78,867)	(370,945)
Net cash used for investing activities	(78,867)	(370,945)
Cash flows from financing activities:		
Contribution restricted for equipment	10,000	10,000
Net cash provided by financing activities	10,000	10,000
Net decrease in cash and cash equivalents	(135,128)	(174,224)
Cash and cash equivalents - beginning of year	466,973	641,197
Cash and cash equivalents - end of year	$331,845	$466,973
Supplemental disclosure:		
Interest & taxes paid	$5,958	$0

The attached notes and auditor's report are an integral part of these financial statements.

RESOURCES FOR CHILDREN WITH SPECIAL NEEDS, INC.
d/b/a INCLUDEnyc
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization

Resources for Children with Special Needs, Inc. d/b/a INCLUDEnyc (the "Organization") was organized in New York on September 25, 1981 as a non-profit corporation, commencing services in 1983. The Organization's mission is to promote positive futures and enhance quality of life for young people with disabilities in New York City, ages birth through 26, and their families. The Organization empowers families of young people with any disability with the knowledge, confidence, and skills to make informed decisions, effectively access and navigate systems and services, and to advocate for themselves and other young people with disabilities and their families. The Organization supports educators, youth workers, and other professionals to partner with families for successful, person-centered services, and promotes a family voice in the policy process.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Revenue Recognition

The financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective January 1, 2019 the Organization adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective January 1, 2019, the Organization adopted ASU No. 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the Organization evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the Organization applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

For contributions, the Organization evaluates whether they are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Organization to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Contributions are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described below, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Government grants have been evaluated and are considered to be non-reciprocal; therefore, they are also treated as contributions under Topic 605. In addition, government grants meet the condition of being conditional. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved and other conditions under the agreements are met. Cash received in advance of the conditions being met are treated as liabilities.

Analysis of the various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue.

b. <u>Basis of Presentation</u>

The Organization reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represent those resources for which there are no restrictions by donors as to their use. In previous years, the board designated a portion of net assets to the endowment to be retained for future appropriation. As the funds are internally designated, they are reflected on the financial statement as without donor restrictions.

- *Net Assets With Donor Restrictions* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. <u>Pledges Receivable</u>

The Organization records unconditional promises to give as revenue in the period received at net realizable value if expected to be received within one year or at fair value using risk adjusted present value techniques if material and expected to be received after one year. As of December 31, 2019 and 2018, all unconditional promises to give are due within one year.

Management has not established a reserve for uncollectible government grants and contributions receivables because all receivables are considered to be fully collectible based on specific analysis and historical experience. Write-offs, if any, will be recorded as expenses in the year they are deemed to be uncollectible.

d. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents, which includes cash held in banks and money market funds other than those held by the investment manager.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with high-quality financial institutions that management deems to be creditworthy. Investments are subject to market value fluctuations and principal is not guaranteed. At times, balances may exceed federally insured limits. While at year end there were material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

f. Capitalization Policies

Items of property and equipment and leasehold improvements that have a long-term benefit and exceed certain predetermined levels are recorded at cost. Routine maintenance and repair costs that do not materially extend the estimated useful lives of property and equipment are expensed as incurred.

g. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Unrealized gains and losses are included as non-operating income. The Organization did not incur any investment fees during the years ended December 31, 2019 and December 31, 2018.

Donated securities are recorded at fair value on the date of the gift and, except as otherwise required by the donor, are immediately sold by the Organization. Since it is the Organization's policy to sell the donated securities upon receipt, the contributions are classified as operating activities in the statements of cash flows unless the donor restricts the use of the contributed resources to long-term purposes, in which case those cash receipts are classified as cash flows from financing activities. The Organization received donated stock of $12,886 during the year ended December 31, 2019. There was no donated stock during 2018.

h. Deferred Rent

The Organization recognizes rent expense evenly over the life of the lease using the straight-line method and records deferred rent for the cumulative amount that expenses exceed actual payments. In the latter stages of the lease, deferred rent will be reduced as the amount of payments exceeds the expense recorded.

i. In-Kind Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. See Note 9 for further details.

The Organization pays for most services requiring specific expertise. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria of in-kind services and have not been recorded in the financial statements.

j. Management Estimates

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

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

The following expenses were allocated using time and effort as the basis:

- Salaries

The following expenses were allocated using salaries as the basis:

- Payroll taxes and benefits
- Occupancy
- Professional fees and consultants – payroll, IT, and cleaning services
- Equipment lease and rentals
- Telephone and communications
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

l. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for years ended December 31, 2016 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

FASB issued an Accounting Standards Update (ASU) No. 2016-02, *Leases.* The ASU which becomes effective for the December 31, 2021 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

Management is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds – equities	$398,420	$0	$0	$398,420
Mutual funds – bonds	362,986	0	0	362,986
Exchange traded funds	296,134	0	0	296,134
Total	$1,057,540	$0	$0	$1,057,540
Money markets and other cash equivalents				3,930
Total investments				$1,061,470

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds – equities	$258,080	$0	$0	$258,080
Mutual funds – bonds	290,088	0	0	290,088
Exchange traded funds	177,790	0	0	177,790
Total	$725,958	$0	$0	$725,958
Money markets and other cash equivalents				153,586
Total investments				$879,544

Level 1 securities are valued at the closing price reported on the active market that they are traded on.

Subsequent to year-end, volatility experienced in the financial markets has resulted in a significant decline in the market value of certain investments.

Note 4 - Fixed Assets

Fixed assets consist of the following:

	12/31/19	12/31/18
Equipment	$85,194	$85,194
Leasehold improvements	39,019	39,019
	124,213	124,213
Less: accumulated depreciation	(108,931)	(98,875)
Total	$15,282	$25,338

Note 5 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	December 31, 2019			
	Balance 1/1/19	Increases/ (Decreases)	Released from Restrictions	Balance 12/31/19
Programs:				
Equipment	$10,000	$10,000	($10,000)	$10,000
Youth Services	135,000	100,000	(135,000)	100,000
Parent and Family Services	10,000	10,000	(10,000)	10,000
Project Possibility	113,500	445,000	(298,500)	260,000
Total program restricted	268,500	565,000	(453,500)	380,000
Time restricted	0	211,000	(33,333)	177,667
Total restricted contributions	268,500	776,000	(486,833)	557,667
Endowment fund	170,435	25,973	0	196,408
Total restrictions	$438,935	$801,973	($486,833)	$754,075

	December 31, 2018			
	Balance 1/1/18	Increases/ (Decreases)	Released from Restrictions	Balance 12/21/18
Programs:				
Equipment	$0	$10,000	$0	$10,000
Youth Services	175,000	135,000	(175,000)	135,000
Parent and Family Services	0	10,000	0	10,000
Capacity building	80,000	0	(80,000)	0
Project Possibility	210,000	73,500	(170,000)	113,500
Total restricted contributions	465,000	228,500	(425,000)	268,500
Endowment fund	188,778	(18,343)	0	170,435
Total restrictions	$653,778	$210,157	($425,000)	$438,935

Note 6 - Endowment

The endowment includes donations totaling $101,007 that were restricted by donors to be held in perpetuity and investments designated by the Board of Directors to be retained for future appropriation. The Organization has elected to pool this with investments that are part of its board designated net assets.

Interpretation of Relevant Law
The Organization follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which the Board of Directors has interpreted as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the fair value of the original gift will be preserved as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, the fair value of the original gift can be appropriated in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, the Organization classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the donor's intention.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditure, therefore, they have been classified in the class of net assets with donor restrictions.

Spending Policies
In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Organization and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources available;
(7) The investment policies;
(8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization.

There is no formal spending policy, and interest, dividends and other market value gains are being accumulated for future appropriation, if deemed prudent and necessary.

Changes in endowment net assets are as follows:

	December 31, 2019			
	Board Designated	Donor Restricted Earnings	Donor Restricted Corpus	Total
Endowment net assets, beginning of year	$709,109	$69,428	$101,007	$879,544
Interest and dividend income	24,978	6,003	0	30,981
Donated stock/transfers in	47,886	0	0	47,886
Net gain on investments	83,089	19,970	0	103,059
Endowment net assets, end of year	$865,062	$95,401	$101,007	$1,061,470

	December 31, 2018			
	Board Designated	Donor Restricted Earnings	Donor Restricted Corpus	Total
Endowment net assets, beginning of year	$397,757	$87,771	$101,007	$586,535
Interest and dividend income	14,204	6,741	0	20,945
Donated stock/transfers in	350,000	0	0	350,000
Net losses on investments	(52,852)	(25,084)	0	(77,936)
Endowment net assets, end of year	$709,109	$69,428	$101,007	$879,544

Endowment Investment Policies

The investment policy for endowment assets is consistent with the investment policy of investments without donor restrictions. A total return strategy is used and investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A diversified asset allocation strategy is used that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires to be retained as a fund of perpetual duration. There were no such deficiencies as of December 31, 2019 or 2018.

Note 7 - Commitments and Contingencies

The Organization leases its main office space under a non-cancelable lease for specified base rents plus certain escalations including real estate taxes. The lease covers the period of February 2012 through January 2022. During the year ended December 31, 2019, the Organization entered into a sub-lease for additional space. The sublease covers the period of November 2019 through January 2022.

Rent expense was $240,930 and $218,570 for the years ended December 31, 2019 and 2018, respectively.

Minimum future obligations are as follows:

Year ending:	December 31, 2020	$243,605
	December 31, 2021	248,377
	December 31, 2022	20,825
Total		$512,807

The Organization has access to a business revolving line of credit that has a maximum amount of $100,000 with interest payable at prime plus 1%. There were no outstanding amounts due on the line of credit at December 31, 2019 and December 31, 2018.

Note 8 - Retirement Plan

The Organization maintains two tax deferred 403(b) retirement plans. Under the first plan, all employees may participate by designating a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. No employer contributions are made to the plan. The second plan, which became effective on January 1, 2015, also allows all employees to participate by designating a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. The employer matches contributions to the plan up to 2%. The Organization contributed approximately $30,000 and $26,000 towards this plan during the years ended December 31, 2019 and 2018, respectively.

Note 9 - In-Kind Contributions

The following summarizes the in-kind contributions recognized:

	December 31, 2019			
	Total	Program	Management and General	Fundraising
Professional fees and consultants	$16,855	$0	$16,855	$0
Program supplies	32,400	32,400	0	0
Total	$49,255	$32,400	$16,855	$0

	December 31, 2018			
	Total	Program	Management and General	Fundraising
Program supplies	$6,700	$6,700	0	0
Total	$6,700	$6,700	$0	$0

In-kind gifts used for fundraising events, where the donor received a direct benefit, amounted to $6,457 and $9,039 during the years ended December 31, 2019 and 2018, respectively.

Note 10 - Special Event

A summary of the special event activity from the annual gala is as follows:

	12/31/19	12/31/18
Gross revenue (including in-kind of $6,457 and $9,039 for 2019 and 2018, respectively)	$200,567	$283,612
Less: expenses with a direct benefit to donor (including in-kind of $6,457 and $9,039 for 2019 and 2018, respectively)	(37,813)	(48,356)
	162,754	235,256
Less: other event expenses	(5,445)	(14,117)
Net revenue from event	$157,309	$221,139

Note 11 - Liquidity and Availability of Financial Resources

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on grants, contributions, and earned income to fund its operations and program activities.

The following reflects the Organization's financial assets that are available to meet cash needs for general expenditures within one year:

	12/31/19	12/31/18
Financial assets at year-end:		
Cash and cash equivalents	$331,845	$466,973
Grants and contributions receivable due within one year	1,445,549	862,915
Investments	1,061,470	879,544
Total financial assets	2,838,864	2,209,432
Less amounts not available for general expenditures:		
Donor restricted endowment	(196,408)	(170,435)
Donor contributions restricted to specific purposes	(380,000)	(268,500)
Total amounts not available for general expenditures	(576,408)	(438,935)
Financial assets available to meet cash needs for general expenditures within one year	$2,262,456	$1,770,497

The Organization's donor restricted endowment funds are held for long term purposes; therefore, these assets are not considered available for general expenditures until they are appropriated for spending. Board designated funds are available for operating expenses as needed and are considered available for general expenditures. In addition, the Organization also has a revolving line of credit of $100,000 which it could draw upon to help manage unanticipated liquidity needs.

Note 12 - Subsequent Events

Management has evaluated the impact of all subsequent events through April 14, 2020, which is the date that the financial statements were available to be issued.

Subsequent to year end, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a Public Health Emergency of International Concern. This could adversely affect the Organization's donors, program participants and suppliers as a result of quarantines, facility closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. This could decrease spending, adversely affect demand for the Organization's services and harm the Organization's business and results of operations. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact of such on the Organization cannot be quantified.