

WILDLIFE FOREVER  
INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS

DECEMBER 31, 2020  
(With Comparative Totals for  
the Year Ended December 31, 2019)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities (with Comparative Totals for the Year Ended December 31, 2019)	3
Statement of Functional Expenses (with Comparative Totals for the Year Ended December 31, 2019)	4
Statements of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6

Thomas A. Madsen, CPA  
Diana L. Weddigen, CPA  
Samantha R. Mulvihill, CPA

**Lewis, Kisch &  
Associates, Ltd.**  
CERTIFIED PUBLIC ACCOUNTANTS

1125 South Frontage Road, Suite 1  
Hastings, MN 55033  
T (651) 437-3356  
F (651) 437-3808  
www.lewiskisch.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Wildlife Forever

We have audited the accompanying financial statements of Wildlife Forever (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, 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.

**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 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 Wildlife Forever as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

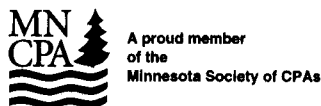
**Report on Summarized Comparative Information**

We have previously audited Wildlife Forever's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it is derived.

Respectfully submitted,

*Lewis, Kisch & Associates, Ltd.*

April 21, 2021



STATEMENTS OF FINANCIAL POSITIONDECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 134,353	\$ 51,307
Cash and Cash Equivalents - Reserved	14,134	20,848
Total Cash and Cash Equivalents	148,487	72,155
Accounts Receivable	81,954	20,509
Bequest Receivable		24,505
Prepaid Expenses	4,284	2,320
Total Current Assets	234,725	119,489
<u>Property and Equipment</u>		
Furniture and Equipment	57,865	57,865
Less: Accumulated Depreciation	(51,355)	(47,302)
Net Property and Equipment	6,510	10,563
<u>Other Assets</u>		
Lease Deposit	2,417	2,417
Total Assets	<u>\$ 243,652</u>	<u>\$ 132,469</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 56,293	\$ 21,363
Accrued Expenses	8,344	6,375
Refundable Advances	43,800	24,810
Deferred Revenue	29,605	
Note Payable, Current Portion	3,900	3,900
Total Current Liabilities	141,942	56,448
<u>Other Liabilities</u>		
Note Payable, Net of Current Portion	2,275	6,175
Total Liabilities	144,217	62,623
<u>Net Assets</u>		
Without Donor Restrictions	90,823	54,878
With Donor Restrictions	8,612	14,968
Total Net Assets	99,435	69,846
Total Liabilities and Net Assets	<u>\$ 243,652</u>	<u>\$ 132,469</u>

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIESYEAR ENDED DECEMBER 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

<u>SUPPORT AND REVENUE</u>	<u>2020</u>			<u>2019</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<u>Support</u>				
Contributions	\$ 178,948	\$ 8,612	\$ 187,560	\$ 140,279
Government Grants	613,440		613,440	559,048
Membership Dues	87,721		87,721	84,444
In-Kind Contributions	621,840		621,840	428,675
Total Support	1,501,949	8,612	1,510,561	1,212,446
<u>Revenue</u>				
Merchandise Sales	102,096		102,096	200,643
Less: Direct Expenses	(31,423)		(31,423)	(23,960)
Net	70,673		70,673	176,683
Interest and Dividends	4		4	15
Total Revenue	70,677		70,677	176,698
Net Assets Released from Restriction	14,968	(14,968)		
Total Support and Revenue	1,587,594	(6,356)	1,581,238	1,389,144
<u>FUNCTIONAL EXPENSES</u>				
Program Services	1,487,409		1,487,409	1,342,164
Management and General	26,250		26,250	32,997
Fundraising	37,990		37,990	48,283
Total Functional Expenses	1,551,649		1,551,649	1,423,444
Change in Net Assets	35,945	(6,356)	29,589	(34,300)
Net Assets - Beginning of Year	54,878	14,968	69,846	104,146
Net Assets - End of Year	<u>\$ 90,823</u>	<u>\$ 8,612</u>	<u>\$ 99,435</u>	<u>\$ 69,846</u>

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020  
(With Comparative Totals for the Year Ended December 31, 2019)

	2020					2019
	Program Services				Grand Total	Total
	Invasive Species	Prairie Restoration	State-Fish Art	Total		
Grants and Support	\$ 910,389	\$ 179,117	\$ 87,944	\$ 1,177,450	\$ 1,177,450	\$ 981,637
Education and Mailings	23,792	2,226	1,809	27,827	\$ 38,029	48,346
Salaries and Benefits	143,253	13,404	52,890	209,547	20,691	295,977
Occupancy	23,995	2,245	1,824	28,064	2,005	29,914
Outside Services	1,211	113	92	1,416	101	2,547
Equipment and Maintenance	9,664	904	735	11,303	807	18,652
Supplies and Other	11,650	1,090	886	13,626	708	22,370
Insurance	4,865	455	370	5,690	407	6,797
Telephone	1,747	163	133	2,043	146	2,902
Professional Services	6,020	563	458	7,041	503	10,248
Depreciation	2,909	272	221	3,402	246	4,054
Total Expenses	<u>\$ 1,139,495</u>	<u>\$ 200,552</u>	<u>\$ 147,362</u>	<u>\$ 1,487,409</u>	<u>\$ 26,250</u>	<u>\$ 1,551,649</u>
					<u>\$ 37,990</u>	<u>\$ 1,423,444</u>

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWSYEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 29,589	\$ (34,300)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,053	4,054
(Increase) Decrease in Current Assets:		
Accounts Receivable	(61,445)	33,439
Bequest Receivable	24,505	(24,505)
Prepaid Expenses	(1,964)	9,465
Increase (Decrease) in Current Liabilities:		
Accounts Payable	34,930	(17,332)
Accrued Expenses	1,969	(3)
Refundable Advances	18,990	20,935
Deferred Revenue	29,605	
Net Cash Flows from (Used in) Operating Activities	<u>80,232</u>	<u>(8,247)</u>
<u>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</u>		
Payments on Notes Payable	(3,900)	(3,900)
Net Increase (Decrease) in Cash and Cash Equivalents	<u>76,332</u>	<u>(12,147)</u>
Cash and Cash Equivalents - Beginning of Year	72,155	84,302
Cash and Cash Equivalents - End of Year	<u>\$ 148,487</u>	<u>\$ 72,155</u>

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### **1. The Organization**

Wildlife Forever (the "Organization") is a nonprofit corporation established to conserve America's wildlife heritage through conservation education, preservation of habitat, and management of fish and wildlife. Since 1987, Wildlife Forever has funded conservation works in all 50 states and Canada, with more than 1,500 projects throughout North America. The Organization's major programs include:

Invasive Species – Wildlife Forever has teamed up with more than 2,500 organizations across the nation, including federal, state, and Canadian organizations, to stop the spread of invasive species with the Clean Drain Dry ("CD2") initiative, which reaches millions of outdoor enthusiasts each year. CD2 uses the common denominator found in outreach education to generate behavior-changing practices in recreational users that help protect natural resources from invasive species.

Prairie Restoration – In partnership with other conservation nonprofits and federal, state, and local governments, Wildlife Forever works to restore and prevent commercial development of critical habitats of wildlife species throughout the US and Canada. Restoration efforts include performing prescribed burns to open areas and promote grasses to grow and create more beneficial wildlife nature sites and habitat, cultivating native plant species, and constructing wetlands to provide habitat for shorebirds and waterfowl.

State-Fish Art – The State-Fish Art Project is an exciting, multimedia education program designed to increase awareness of and respect for aquatic resources. Interdisciplinary in nature, the program uses art as a springboard into the fascinating world of fish. The project has two primary components:

*Fish On! Lesson Plan* – The lesson plan includes information about fish species, their habitat, and conservation needs, as well as a profile of each state fish, containing a beautifully illustrated physical description, reproductive and feeding behaviors, and habitat requirements.

*State-Fish Art Contest* – The project culminates in a national art contest for children who have actively participated in the Fish On! lesson. Students use their newly acquired knowledge to create a learning portfolio, which includes an original state-fish art illustration and a related composition/essay about their chosen state fish.

The Organization obtains revenue through individual memberships and contributions, grants from governments, foundations, and corporations, member list rental, royalties from use of the Organization's logo, and sales of merchandise bearing its logo.

### **2. Summary of Significant Accounting Policies**

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional allocation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to not-for-profit organizations. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the 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 without donor restrictions may be designated for specific purposes by action of the board of directors.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.



NOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2020 AND 2019**2. Summary of Significant Accounting Policies (Continued)**

*Net Assets With Donor Restrictions (Continued)* – The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire 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 statements of activities as net assets released from restrictions.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all cash and highly liquid financial instruments with original maturities of three months or less that are neither held for nor restricted by donors for long-term purposes to be cash and cash equivalents.

Reserved Cash and Cash Equivalents – Amounts reported on the statements of financial position as reserved cash and cash equivalents are related to income from and expenses for the Minnesota Invasive Species Advisory Council ("MISAC"). See Note 4 for a description of the Organization's fiscal sponsorship agreement with MISAC.

Accounts Receivable – Accounts receivable represent contribution, grant, and contract receivables, which are all receivable in less than one year. The Organization periodically reviews individual accounts, and as of December 31, 2020 and 2019, no allowance for uncollectible accounts was considered necessary.

Bequest Receivable – During the year ended December 31, 2019, the Organization received notice that it would be receiving a bequest of \$24,505. Proceeds from this bequest had not yet been received at December 31, 2019; therefore, it is reported on the statement of financial position as a bequest receivable at that date. The entire bequest was received during the year ended December 31, 2020.

Property and Equipment – Property and equipment are recorded at cost, or if donated, at fair market value at the date of donation. Items costing \$500 or less are expensed in the year purchased. Depreciation is computed using the straight-line method and is charged to expense over the estimated useful lives of the assets, which range from five to seven years for furniture and equipment. Costs of maintenance and repairs that do not improve or extend the useful life of the respective assets are expensed as incurred.

Revenues and Revenue Recognition – The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor stipulations for their use.

The Organization recognizes revenue from merchandise sales at the time the merchandise is transferred to the customer. Payments received in advance of transfer to the customer are reported as deferred revenue on the statements of financial position.

Membership dues, which are nonrefundable, are considered contributions, as the value of any benefits provided to members is trivial. Therefore, revenue from membership dues is recognized in the same manner as other contribution revenue, described above.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. In 2020, the Organization received cost-reimbursable grants of \$313,517 that have not been recognized at December 31, 2020, because qualifying expenditures have not yet been incurred, with advance payments of \$5,000 recognized in the statement of financial position as a refundable advance. In 2019, the Organization received cost-reimbursable grants of \$170,620 that were not recognized at December 31, 2019, with advance payments of \$24,810, which were reported as revenue during the year ended December 31, 2020.

NOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2020 AND 2019**2. Summary of Significant Accounting Policies (Continued)**

Revenue and Revenue Recognition (Continued) – The Organization also received a forgivable loan during the year ended December 31, 2020. This loan, which is accounted for as a conditional contribution from the lender, is describe in detail in Note 15.

In-Kind Contributions – The Organization receives in-kind contributions, including contracted program-related services and informative and educational content on billboards, television, print, and radio. Donated services are recognized at fair value if the services meet the recognition criteria prescribed by generally accepted accounting principles, which include: a) requiring specialized skills; b) provided by someone with those skills; and c) would have to be purchased if they were not donated. Donations of supplies, materials, and advertising are recorded as contributions at their estimated fair value at the date of donation.

Advertising – Advertising costs are expensed as incurred. Advertising costs, excluding in-kind, for the years ended December 31, 2020 and 2019, were \$230,628 and \$276,839, respectively. In-kind advertising is detailed in Note 10. The majority of the Organization's advertising consists of public awareness and education campaigns funded by donors, which are included in grants and support on the statement of activities.

Functional Allocation of Expenses – The costs of providing the Organization's various programs and supporting services 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and similar state statutes and is not considered a private foundation. Management has evaluated for uncertain tax positions and has determined there are no uncertain tax positions as of December 31, 2020. Tax returns for the past three years remain open for examination by tax jurisdictions.

Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Concentration of Credit Risk – Financial instruments, which potentially subject the Organization to credit risk, consist primarily of cash and cash equivalents. The Organization's cash and cash equivalents have been placed with major financial institutions. At times, such amounts may exceed Federal Deposit Insurance Corporation ("FDIC") limits. The Organization closely monitors these balances and has not experienced credit losses.

Recently Adopted Accounting Pronouncements – The Organization has adopted Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, effective January 1, 2019, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization has also adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, effective January 1, 2019, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes contributions and promises to give, and therefore no changes to the previously audited financial statements were required on a retrospective basis.

Subsequent Events – The Organization has performed an evaluation of subsequent events through April 21, 2021, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2020 AND 2019**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 148,487	\$ 72,155
Less: Cash and cash equivalents - reserved	(14,134)	(20,848)
Available cash and cash equivalents	134,353	51,307
Accounts receivable	81,954	20,509
Bequest receivable		24,505
Total	<u>\$ 216,307</u>	<u>\$ 96,321</u>

The Organization's reserved cash and cash equivalents consist of amounts held for MISAC, which are not available for general expenditure. See Note 4 for more details regarding this arrangement.

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in an interest-earning savings account. Additionally, the Organization has a line of credit available from a local bank, described in Note 5.

**4. Fiscal Sponsorship**

On October 31, 2017, the Organization entered into a formalized fiscal sponsorship agreement with MISAC, an unincorporated council composed of various incorporated and unincorporated entities involved with invasive species education, control, and remediation. Per the fiscal sponsorship agreement, Wildlife Forever provides fiduciary oversight, financial management, and other administrative services to support the charitable projects of MISAC. In 2019, expenses incurred related to MISAC totaled \$6,714. Support received and expenses incurred during 2019 related to MISAC totaled \$8,741 and \$10,512, respectively.

**5. Line of Credit**

In 2018, the Organization opened a \$50,000 renewable line of credit with a bank through June 7, 2019, with a variable interest rate of 0.075 percentage points under index, with a minimum rate of 4.75% per annum based on a year of 360 days. In 2019, the Organization renewed this line of credit, resulting in a new maturity date of September 20, 2020. The interest rate for the year ended December 31, 2019, was 5.24%. In 2020, the Organization renewed this line of credit again, resulting in a new maturity date of October 2, 2022. The interest rate for the year ended December 31, 2020, was 4.74%. All business assets of the Organization are collateral on this line when it is used. The Organization had no outstanding balance on the line of credit at December 31, 2020 and 2019.

**6. Note Payable**

On July 10, 2017, the Organization purchased \$19,500 of computers and related equipment with a note payable over 60 months at 0% interest. The Organization is required to make monthly payments of \$325. As of December 31, 2020, future minimum payments on the note are as follows:

2021	\$ 3,900
2022	2,275
Total	<u>\$ 6,175</u>

**7. Commitments**

On May 1, 2017, the Organization began leasing facilities in White Bear Lake, Minnesota, under a thirty-six-month lease, with options to extend the lease for two additional twelve-month terms. On April 30, 2020, the lease was extended for one year, until April 30, 2021, with monthly rental payments of \$2,514. During the years ended December 31, 2020 and 2019, rents under this lease were \$33,410 and \$29,914, respectively. As of December 31, 2020, future minimum payments related to this lease are as follows:

2021	\$ 10,057
Total	<u>\$ 10,057</u>

NOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2020 AND 2019**7. Commitments (Continued)**

On July 10, 2017, the Organization entered into a 60-month service contract with an IT support firm. As of December 31, 2020, future minimum payments related to this agreement are as follows:

2021	\$ 4,800
2022	2,800
Total	<u>\$ 9,600</u>

**8. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purpose at December 31:

	<u>2020</u>	<u>2019</u>
State-Fish Art Program	<u>\$ 8,612</u>	<u>\$ 14,968</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows during the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions		
State-Fish Art Program	<u>\$ 14,968</u>	<u>\$ 13,584</u>
Total released	<u>\$ 14,968</u>	<u>\$ 13,584</u>

**9. Refundable Advances**

The following table provides information about significant changes in refundable advances for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Refundable advances, beginning of year	\$ 24,810	\$ 3,875
Revenue recognized that was included in refundable advances at the beginning of the year	(24,810)	(3,875)
Increase in refundable advances due to cash received during the period	43,800	24,810
Refundable advances, end of year	<u>\$ 43,800</u>	<u>\$ 24,810</u>

**10. Donated Professional Services and Materials**

The Organization received donated professional services and materials as follows during the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Advertising	\$ 506,882	\$ 394,885
Contracted Work	22,250	7,215
State-Fish Art	71,682	15,000
Internet, Merchandise, Etc.	21,026	11,575
Total	<u>\$ 621,840</u>	<u>\$ 428,675</u>

**11. Functionalized Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses of the Organization are allocated based on estimates of time and effort.

**12. Retirement Plan**

The Organization has adopted a SIMPLE IRA plan for all eligible employees. The Organization will match up to 3% of the employee's pay contributed to the plan. The expense to the Organization was \$6,363 and \$4,960 for the years ended December 31, 2020 and 2019, respectively.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### **13. Concentrations**

During the year ended December 31, 2020, 13.5% of the Organization's revenues were from one organization, and 16.7% of its expenses were related to one organization. In 2019, 13.0% of the Organization's expenses were related to one organization. Loss of any of these supporters or vendors could have a major impact on the Organization's activities.

At December 31, 2020, 67.2% and 16.5% of the Organization's accounts receivable were due from each of two entities, respectively. At December 31, 2019, 42.9% and 38.9% of the Organization's accounts receivable were due from each of two entities, respectively. At December 31, 2019, 100% of the Organization's bequest receivable was due from one donor. Default on any of these accounts could have a significant effect on the Organization's cash flows.

Additionally, the Organization receives the majority of its funding through various grants from governmental entities. The non-renewal of any of these major grants could substantially affect the Organization's operations.

### **14. Uncertainties**

Beginning in March 2020, the COVID-19 pandemic resulted in the disruption of business throughout the country, including voluntary and mandated restrictions on business operations and closure of many businesses and organizations. The extent of the impact of the pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its effects on the Organization's grantors, customers, employees, and vendors, none of which, at present, can be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets is uncertain, and the accompanying financial statements include no adjustments related to the effects of the pandemic.

### **15. Paycheck Protection Program**

During the year ended December 31, 2020, the Organization was granted a \$38,800 loan administered by a Small Business Administration ("SBA") approved partner under the Paycheck Protection Program ("PPP") created as part of the relief efforts related to COVID-19. The loan is uncollateralized and is fully guaranteed by the federal government. The Organization is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization initially recorded the loan as a refundable advance and will record the forgiveness in accordance with the guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right of return of the loan, or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if the Organization maintains employment levels during its covered period and uses the funds for certain payroll, rent, and utility expenses. No revenue related to this loan forgiveness was recorded for the year ended December 31, 2020.

### **16. Subsequent Events**

On January 22, 2021, the Organization received notification that the \$38,800 PPP loan described in Note 15 had been fully forgiven. Therefore, the full amount of the loan will be reported as grant revenue on the statement of financial activities for the year ending December 31, 2021.

Subsequent to year-end, the Organization applied and was approved for an additional \$42,700 loan under the Paycheck Protection Program. The loan accrues interest at 1%, with monthly payments of \$979 from June 1, 2022 through January 1, 2026, with a final payment of all remaining principal and accrued interest due February 1, 2026. All or part of this loan may be forgiven if the Organization satisfies and complies with the terms and conditions for loan forgiveness under the CARES Act and PPP. The loan is uncollateralized and fully guaranteed by the federal government.