



**Family Compass**

**Financial Statements  
December 31, 2019 and 2018**

# Family Compass

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## **Independent Auditors' Report**

To the Board of Directors of  
Family Compass

We have audited the accompanying financial statements of Family Compass (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 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 U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted accounting standards. 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 misstatements 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 Family Compass as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

A handwritten signature in black ink that reads "Sutton Frost Lang". The signature is written in a cursive, flowing style.

A Limited Liability Partnership

Arlington, Texas  
March 31, 2020

**Family Compass**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	2019	2018
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 114,282	\$ 142,503
Contributions receivable	241,500	175,738
Grants receivable	84,242	63,398
Prepaid expense	-	19,444
<b>Total current assets</b>	440,024	401,083
Fixed assets, net	25,368	40,524
<b>Total assets</b>	\$ 465,392	\$ 441,607

**Liabilities and Net Assets**

<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 75,801	\$ 61,152
<b>Total current liabilities</b>	75,801	61,152
<b>Net assets:</b>		
Without donor restrictions	83,562	170,697
With donor restrictions	306,029	209,758
<b>Total net assets</b>	389,591	380,455
<b>Total liabilities and net assets</b>	\$ 465,392	\$ 441,607

See notes to financial statements.

**Family Compass**  
**Statement of Activities**  
**Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
HHSC grant	\$ 247,905	\$ -	\$ 247,905
United Way	200,208	75,000	275,208
VOCA grant	78,781	-	78,781
Foundations	72,095	722,975	795,070
Individuals	85,336	-	85,336
Corporations	14,172	25,500	39,672
Special events, net of direct costs of \$67,406	209,163	-	209,163
In-kind contributions	117,027	-	117,027
Service fees	10,625	-	10,625
Other income	5,617	-	5,617
Net assets released from restrictions	727,204	(727,204)	-
<b>Total support and revenue</b>	<b>1,768,133</b>	<b>96,271</b>	<b>1,864,404</b>
<b>Expenses:</b>			
Program services	1,514,607	-	1,514,607
General and administrative	110,593	-	110,593
Fundraising	230,068	-	230,068
<b>Total expenses</b>	<b>1,855,268</b>	<b>-</b>	<b>1,855,268</b>
<b>Change in net assets</b>	<b>(87,135)</b>	<b>96,271</b>	<b>9,136</b>
<b>Net assets at beginning of year</b>	<b>170,697</b>	<b>209,758</b>	<b>380,455</b>
<b>Net assets at end of year</b>	<b>\$ 83,562</b>	<b>\$ 306,029</b>	<b>\$ 389,591</b>

See notes to financial statements.

**Family Compass**  
**Statement of Activities**  
**Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
HHSC grant	\$ 242,484	\$ -	\$ 242,484
United Way	165,605	25,000	190,605
VOCA grant	72,433	-	72,433
Foundations	245,783	565,307	811,090
Individuals	157,058	-	157,058
Corporations	92,829	-	92,829
Special events, net of direct costs of \$58,054	126,231	-	126,231
In-kind contributions	118,986	-	118,986
Service fees	15,905	-	15,905
Exchange Club donations	10,200	-	10,200
Other income	37,305	-	37,305
Net assets released from restrictions	718,062	(718,062)	-
<b>Total support and revenue</b>	<b>2,002,881</b>	<b>(127,755)</b>	<b>1,875,126</b>
<b>Expenses:</b>			
Program services	1,391,775	-	1,391,775
General and administrative	153,404	-	153,404
Fundraising	199,883	-	199,883
<b>Total expenses</b>	<b>1,745,062</b>	<b>-</b>	<b>1,745,062</b>
<b>Change in net assets</b>	<b>257,819</b>	<b>(127,755)</b>	<b>130,064</b>
<b>Net assets (deficit) at beginning of year</b>	<b>(87,122)</b>	<b>337,513</b>	<b>250,391</b>
<b>Net assets at end of year</b>	<b>\$ 170,697</b>	<b>\$ 209,758</b>	<b>\$ 380,455</b>

See notes to financial statements.

**Family Compass**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2019**

	Program Services	General and Administrative	Fundraising	Total
<b>Compensation and related expenses:</b>				
Salaries	\$ 987,569	\$ 44,800	\$ 144,900	\$ 1,177,269
Payroll taxes	78,168	4,402	10,381	92,951
Benefits	17,199	5,419	655	23,273
<b>Total compensation and related expenses</b>	1,082,936	54,621	155,936	1,293,493
Advertising	243	75	1,607	1,925
Client services	26,730	-	-	26,730
Depreciation	7,578	7,578	-	15,156
Equipment rental	16,436	1,338	-	17,774
Information technology	33,419	9,776	17,552	60,747
Insurance	77,937	18,036	11,793	107,766
Mileage	22,930	50	1,298	24,278
Miscellaneous	21,864	5,057	11,875	38,796
Occupancy	170,366	5,720	629	176,715
Office	15,016	3,372	6,973	25,361
Professional fees	29,407	4,970	6,119	40,496
Special events	-	-	82,434	82,434
Training seminar	9,745	-	1,258	11,003
<b>Total expenses</b>	1,514,607	110,593	297,474	1,922,674
<b>Less expenses included with revenues on the statement of activities</b>				
Direct costs of special events	-	-	(67,406)	(67,406)
<b>Total expenses included in the expense section on the statement of activities</b>	<u>\$ 1,514,607</u>	<u>\$ 110,593</u>	<u>\$ 230,068</u>	<u>\$ 1,855,268</u>

See notes to financial statements.



**Family Compass**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2018**

	Program Services	General and Administrative	Fundraising	Total
<b>Compensation and related expenses:</b>				
Salaries	\$ 917,472	\$ 48,581	\$ 132,976	\$ 1,099,029
Payroll taxes	72,948	5,124	9,567	87,639
Benefits	15,503	5,717	602	21,822
<b>Total compensation and related expenses</b>	1,005,923	59,422	143,145	1,208,490
Advertising	1,157	220	-	1,377
Client services	3,086	-	-	3,086
Depreciation	5,714	5,714	-	11,428
Equipment rental	13,445	1,219	512	15,176
Information technology	25,353	10,267	9,218	44,838
Insurance	74,351	16,954	12,738	104,043
Mileage	26,991	454	407	27,852
Miscellaneous	25,553	4,895	8,936	39,384
Occupancy	135,586	28,709	487	164,782
Office	32,807	4,556	11,497	48,860
Professional fees	22,931	20,994	2,868	46,793
Special events	-	-	67,798	67,798
Training seminar	18,878	-	331	19,209
<b>Total expenses</b>	1,391,775	153,404	257,937	1,803,116
<b>Less expenses included with revenues on the statement of activities</b>				
Direct costs of special events	-	-	(58,054)	(58,054)
<b>Total expenses included in the expense section on the statement of activities</b>	<u>\$ 1,391,775</u>	<u>\$ 153,404</u>	<u>\$ 199,883</u>	<u>\$ 1,745,062</u>

See notes to financial statements.

**Family Compass**  
**Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	2019	2018
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 9,136	\$ 130,064
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	15,156	11,428
Changes in assets and liabilities:		
Contributions receivable	(65,762)	(175,738)
Grants receivable	(20,844)	18,902
Prepaid expense	19,444	(9,184)
Accounts payable and accrued liabilities	14,649	(7,015)
<b>Net cash used by operating activities</b>	<b>(28,221)</b>	<b>(31,543)</b>
<b>Cash flows from investing activities:</b>		
Purchases of fixed assets	-	(35,800)
<b>Net cash used by investing activities</b>	<b>-</b>	<b>(35,800)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from related party notes payable	60,608	44,000
Repayment of related party notes payable	(60,608)	(44,000)
<b>Net cash used by financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash</b>	<b>(28,221)</b>	<b>(67,343)</b>
<b>Cash at beginning of year</b>	<b>142,503</b>	<b>209,846</b>
<b>Cash at end of year</b>	<b>\$ 114,282</b>	<b>\$ 142,503</b>

See notes to financial statements.

# Family Compass

## Notes to Financial Statements

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### 1. Organization

Family Compass (Organization) is located in Dallas, Texas and is a nonprofit organization that is classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (Code). The purpose of the Organization is to break the cycle of child abuse by equipping parents for success. Programs include: (1) the provision of the nationally affiliated Parents as Teachers model to pregnant teens and young parents in high poverty zip codes of Dallas County through the Growing As Parent Home Mentoring Program, (2) the provision of intensive, clinically-focused, in-home support and educational services to families at high risk of child abuse and neglect through the Parent Aide program, (3) child abuse prevention seminars and parenting classes through the Community Education and Outreach Program, (4) support groups and resources for parents. The Organization is supported primarily by government and private grants along with 3 fundraising events per year and contributions from individuals and other organizations.

### 2. Summary of Significant Accounting Policies

The accounting policies of the Organization conform to U.S. generally accepted accounting principles (GAAP). The more significant accounting policies of the Organization are described below.

#### ***Basis of Accounting***

The Organization prepares the financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recorded as incurred.

#### ***Financial Statement Presentation***

The Organization's financial statements are presented in accordance with GAAP which requires the Organization to report its financial position and activities using two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. 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 stipulations that will be met by actions of the Organization and/or the passage of time.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

## **Family Compass**

### **Notes to Financial Statements**

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#### ***Financial Instruments and Credit Risk Concentrations***

Financial instruments that potentially expose the Organization to concentrations of credit risk, consist principally of cash and contributions and grants receivable.

The Organization places cash, which at times may exceed the federally insured limits, with high credit quality financial institutions to minimize risk. Accounts at each institute are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured bank balances at December 31, 2019.

Contributions receivable are unsecured and are due from various donors. Grants receivable are unsecured and are due from grantor agencies. The Organization continually evaluates the collectability of contributions and grants and maintains allowances for potential losses, if considered necessary. At December 31, 2019 and 2018, the Organization estimates that no allowance for uncollectible receivables was necessary.

#### ***Fixed Assets***

Fixed assets purchased by the Organization are recorded at cost or if acquired by gift, at fair market value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for fixed assets in excess of \$500; the fair value of donated fixed assets is capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives.

#### ***Revenue Recognition***

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give 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. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

A portion of the Organization's revenue is derived from cost-reimbursable contract 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 statements of financial position. The Organization has been awarded cost-reimbursable grants of \$480,853 and \$293,774 that have not been recognized at December 31, 2019 and 2018, respectively, because qualifying expenditures have not yet been incurred.

## **Family Compass**

### **Notes to Financial Statements**

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Fees for contract services are recognized as revenue when the contracted services are performed.

Volunteers, business firms and others contribute substantial amounts of supplies and other items toward the fulfillment of programs initiated by the Organization. To the extent that noncash contributions which are under the control of the Organization are objectively measurable and represent program or support expenses which would be otherwise incurred, they are reflected as in-kind contributions and expense in the accompanying financial statements. In-kind contributions are stated at their estimated value at date of receipt.

Donated use of facilities is reflected as a contribution at the estimated fair value of the rent. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

#### ***Concentrations***

As of December 31, 2019, approximately 91% of total contributions receivable are due to the Organization from three foundations. As of December 31, 2018, approximately 85% of total contributions receivable are due to the Organization from one foundation.

As of December 31, 2019, 100% of total grants receivable are due to the Organization from four government agencies. As of December 31, 2018, 100% of total grants receivable are due to the Organization from three government agencies.

During the year ended December 31, 2019 and 2018, the Organization received approximately 17% and 16%, respectively, of its total support and revenue from one foundation.

During the years ended December 31, 2019 and 2018, the Organization received approximately 14% and 10%, respectively, of its total support and revenue from the United Way.

During the years ended December 31, 2019 and 2018, the Organization received approximately 13% of its total support and revenue from a state agency.

#### ***Federal Income Taxes***

The Organization is a nonprofit publicly supported organization, as defined in Section 501(c)(3) of the Code that is exempt from federal income taxes under Section 501(a) of the Code. For the years ended December 31, 2019 and 2018, the Organization did not conduct any unrelated business activities that would be subject to federal income taxes and had no uncertain tax

## **Family Compass**

### **Notes to Financial Statements**

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positions. Therefore, no tax provision or liability has been reported in the accompanying financial statements.

#### ***Allocation of Functional Expenses***

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by function and natural classification. Certain costs are charged directly to the functions they benefit.

Other expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, equipment rental, professional fees, office expenses, information technology, mileage, training and other, which are allocated on the basis of estimates of time and effort.

#### ***Contract Compliance***

The Organization is responsible for compliance with provisions of contracts and grant agreements. Noncompliance could result in the disallowance of expenditures and a request for reimbursement. The Organization's management is unaware of any instance of such non-compliance, or any resulting disallowance. Moreover, in the opinion of the Organization's management, such disallowance, if any, would not be material to the Organization's financial statements.

#### ***Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

#### ***Reclassifications***

Certain amounts in the 2018 financial statements have been reclassified to be consistent with the 2019 presentation.

#### ***New Accounting Pronouncements***

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of Accounting Standards Updates (ASU's) to the FASB's Accounting Standards Codification.

## Family Compass

### Notes to Financial Statements

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The Organization considers the applicability and impact of all ASU's. ASU's not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2020.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

#### ***Accounting Pronouncements Adopted***

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Further, judgment is required to bifurcate transactions between contribution and exchange components. The Organization has adopted this ASU as of and for the year ended December 31, 2019.

In 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958, *Not-for-Profit Entities* or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is not a factor for determining whether an agreement is within the scope of that guidance. The Organization has adopted this ASU as of and for the year ended December 31, 2019.

Analysis of various provisions of the adopted ASUs resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the ASUs.

**Family Compass**  
**Notes to Financial Statements**

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### 3. Fixed Assets

Fixed assets consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 108,174	\$ 108,174
Software	54,672	54,672
Accumulated depreciation	<u>(137,478)</u>	<u>(122,322)</u>
	<u>\$ 25,368</u>	<u>\$ 40,524</u>

### 4. Board Designated Net Assets

During the year ended December 31, 2018, the board of directors created a reserve fund for the purpose of building and maintaining an adequate level of net assets without donor restrictions to support the Organization's day-to-day operations in the event of unforeseen shortfalls. At December 31, 2019 and 2018, net assets without donor restrictions includes board designated net assets of \$26,270 and \$25,195, respectively.

### 5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Program supplies	\$ 16,590	\$ 10,875
Client emergency assistance	10,439	10,874
United Way time restricted	37,500	25,000
Subsequent period programs	241,500	150,000
Technology	<u>-</u>	<u>13,009</u>
	<u>\$ 306,029</u>	<u>\$ 209,758</u>



**Family Compass**  
**Notes to Financial Statements**

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**6. In-kind Contributions**

The Organization received the following in-kind contributions during the years ended December 31:

	<u>2019</u>	<u>2018</u>
Rent	\$ 106,000	\$ 106,000
Supplies	9,342	10,365
Special events	21,946	11,623
Other	1,685	2,621
	<u>\$ 138,973</u>	<u>\$ 130,609</u>

**7. Commitments**

The Organization leases its premises under an operating lease for which the Organization is responsible for \$1 of rent per annum and actual share of utilities and other associated costs. The Organization has estimated the annual value of this rental at \$106,000, which is included as unrestricted support and occupancy expense in the accompanying financial statements.

The Organization also has a sublease for office space from the Children’s Advocacy Center of Collin County. The lease has no end date, but may be terminated by either party with a ninety (90) day notice. The monthly rent is \$685 for this space.

In addition, the Organization leases various office equipment pursuant to non-cancellable operating leases expiring through April 2023. The remaining future minimum lease payments pursuant to the equipment leases are as follows for the years ending December 31:

2020	\$ 14,442
2021	14,442
2022	14,442
2023	4,814

Rent expense totaled \$178,808 and \$158,800 for the years ended December 31, 2019 and 2018, respectively.

**8. Liquidity and Availability of Resources**

The Organization strives to maintain liquid financial assets sufficient to cover general expenditures for a reasonable period of time.

**Family Compass**  
**Notes to Financial Statements**

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The following table reflects the Organization’s financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions as of December 31:

	<u>2019</u>	<u>2018</u>
Cash	\$ 114,282	\$ 142,503
Contributions receivable	241,500	175,738
Grants receivable	<u>84,242</u>	<u>63,398</u>
Financial assets available for general expenditures within one year	440,024	381,639
Amounts unavailable to management without board of directors' approval:		
Board designated for reserve fund	<u>(26,270)</u>	<u>(25,195)</u>
Total financial assets available within one year after board designations	<u>\$ 413,754</u>	<u>\$ 356,444</u>

## 9. Special Events

The following is a summary of the revenue and support and direct costs for each fundraising event for the year ended December 31, 2019:

	<u>Income</u>	<u>Cost of Direct Donor Benefits</u>	<u>Net</u>
Luncheon	\$ 140,903	\$ 23,649	\$ 117,254
Golf	125,161	41,598	83,563
Lip Sync	<u>10,505</u>	<u>2,159</u>	<u>8,346</u>
	<u>\$ 276,569</u>	<u>\$ 67,406</u>	<u>\$ 209,163</u>

The following is a summary of the revenue and support and direct costs for each fundraising event for the year ended December 31, 2018:

	<u>Income</u>	<u>Cost of Direct Donor Benefits</u>	<u>Net</u>
Legends	\$ 78,525	\$ 22,419	\$ 56,106
Golf	97,225	34,254	62,971
Other	<u>8,535</u>	<u>1,381</u>	<u>7,154</u>
	<u>\$ 184,285</u>	<u>\$ 58,054</u>	<u>\$ 126,231</u>

## **Family Compass**

### **Notes to Financial Statements**

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#### **10. Retirement Plan**

The Organization provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with one year of eligible experience. The Organization contributes up to 3% of gross wages for participants with a maximum of \$10,000 per year. Contributions to the plan during the years ended December 31, 2019 and 2018 were \$23,273 and \$21,823, respectively.

#### **11. Related Party Transactions**

The Organization received contributions totaling \$20,339 and \$42,757 during the years ended December 31, 2019 and 2018, respectively, from members of the board of directors.

During 2019, the Organization borrowed and repaid within two months of loan origination date a total of \$60,608 from two board members. The borrowings were repaid using the cash collections of contributions receivable made known to the Organization before it borrowed the funds.

During 2018, the Organization borrowed and repaid within one month a total of \$44,000 from three board members and an employee. The borrowings were repaid using the cash collections of contributions receivable made known to the Organization before it borrowed the funds.

#### **12. Subsequent Events**

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. Due to the pandemic, the Organization canceled a spring 2020 fundraising event and is applying for relief under a private grant. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

The Organization has evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.