

Nazareth Housing, Inc.

Financial Statements

June 30, 2019 and 2018

Independent Auditors' Report

Board of Directors Nazareth Housing, Inc.

We have audited the accompanying financial statements of Nazareth Housing, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nazareth Housing, Inc. as of June 30, 2019 and 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.

Report on Summarized Comparative Information

We have previously audited Nazareth Housing, Inc.'s June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Change in Accounting Principle

As discussed in Note 2 of the financial statements, during the year ended June 30, 2019, the Organization adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

PKF O'Connor Davies, LLP

Harrison, New York
March 26, 2020

Nazareth Housing, Inc.

Statements of Financial Position

	June 30,	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 582,900	\$ 157,875
Accounts receivable	291,987	1,215,505
Contributions receivable	166,121	139,078
Other receivables	81,731	10,766
Prepaid expenses	29,892	17,130
Investments	1,132,273	791,422
Due from affiliate	78,046	83,037
Property and equipment, net	166,108	195,613
	<u>\$ 2,529,058</u>	<u>\$ 2,610,426</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 82,672	\$ 144,215
Deferred income	-	10,000
Total Liabilities	<u>82,672</u>	<u>154,215</u>
Net Assets		
Without donor restrictions	2,395,233	2,384,616
With donor restrictions	51,153	71,595
Total Net Assets	<u>2,446,386</u>	<u>2,456,211</u>
	<u>\$ 2,529,058</u>	<u>\$ 2,610,426</u>

Nazareth Housing, Inc.

Statements of Activities

	Year Ended June 30,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Program service revenue	\$ 1,678,156	\$ -	\$ 1,678,156	\$ 1,718,964	\$ -	\$ 1,718,964
Grants and contributions	330,230	-	330,230	278,108	120,000	398,108
Property management fees	152,208	-	152,208	152,208	-	152,208
Special events, net of \$113,662 and \$96,797 in expenses	294,151	-	294,151	334,686	-	334,686
Donated services	173,443	-	173,443	306,949	-	306,949
Investment income	15,302	-	15,302	5,646	-	5,646
Miscellaneous income	1,827	-	1,827	982	-	982
Net assets released from restrictions	<u>20,442</u>	<u>(20,442)</u>	<u>-</u>	<u>48,405</u>	<u>(48,405)</u>	<u>-</u>
Total Revenue and Support	<u>2,665,759</u>	<u>(20,442)</u>	<u>2,645,317</u>	<u>2,845,948</u>	<u>71,595</u>	<u>2,917,543</u>
EXPENSES						
Program services	2,026,773	-	2,026,773	2,027,124	-	2,027,124
Management and general	222,471	-	222,471	225,094	-	225,094
Development and fundraising	<u>232,455</u>	<u>-</u>	<u>232,455</u>	<u>133,506</u>	<u>-</u>	<u>133,506</u>
Total Expenses	<u>2,481,699</u>	<u>-</u>	<u>2,481,699</u>	<u>2,385,724</u>	<u>-</u>	<u>2,385,724</u>
Change in Net Assets Before Contributed Legal Services	184,060	(20,442)	163,618	460,224	71,595	531,819
Contributed legal services	<u>173,443</u>	<u>-</u>	<u>173,443</u>	<u>306,949</u>	<u>-</u>	<u>306,949</u>
Change in Net Assets	10,617	(20,442)	(9,825)	153,275	71,595	224,870
NET ASSETS						
Beginning of year	<u>2,384,616</u>	<u>71,595</u>	<u>2,456,211</u>	<u>2,231,341</u>	<u>-</u>	<u>2,231,341</u>
End of year	<u>\$ 2,395,233</u>	<u>\$ 51,153</u>	<u>\$ 2,446,386</u>	<u>\$ 2,384,616</u>	<u>\$ 71,595</u>	<u>\$ 2,456,211</u>

See notes to financial statements

Nazareth Housing, Inc.

Statement of Functional Expenses

Year Ended June 30, 2019
(with comparative totals for year ended 2018)

	Program Services			Supporting Services			2019 Total	2018 Total
	City of New York Department of Homeless Services	Other Program Services	Total Program Services	Management and General	Development and Fundraising	Special Events		
Salaries and wages	\$ 466,330	\$ 372,950	\$ 839,280	\$ 100,369	\$ 171,570	\$ -	\$ 1,111,219	\$ 1,093,405
Employees health and welfare benefits	67,401	43,919	111,320	6,403	10,549	-	128,272	174,443
Payroll taxes and related expenses	47,581	24,426	72,007	14,068	14,025	-	100,100	96,883
Total Salaries and Related Expenses	<u>581,312</u>	<u>441,295</u>	<u>1,022,607</u>	<u>120,840</u>	<u>196,144</u>	<u>-</u>	<u>1,339,591</u>	<u>\$ 1,364,731</u>
Shelter apartment rental	95,706	-	95,706	-	-	-	95,706	95,706
Consultants and contracted security	385,751	250	386,001	39,060	11,111	-	436,172	390,126
Professional fees	952	-	952	23,248	8,668	27,000	59,868	31,527
Office supplies	19,033	3,896	22,929	1,932	1,726	81,650	108,237	16,357
Telephone	14,750	5,931	20,681	1,506	-	-	22,187	14,606
Postage	841	14	855	127	387	518	1,887	1,996
Office rental	17,748	17,748	35,496	5,364	5,364	-	46,224	45,070
Transportation	2,161	50	2,211	461	488	-	3,160	5,018
Program expense	61,600	189,661	251,261	15,809	8,567	4,494	280,131	206,978
Repair and maintenance	42,021	518	42,539	19	-	-	42,558	52,117
Utilities	44,503	-	44,503	-	-	-	44,503	43,047
Grants and assistance to others	-	48,500	48,500	-	-	-	48,500	50,208
Insurance	27,961	4,835	32,796	3,592	-	-	36,388	35,087
Bad debt	-	-	-	-	-	-	-	1,000
Miscellaneous	3	206	209	535	-	-	744	1,039
Total Other Expenses	<u>713,030</u>	<u>271,609</u>	<u>984,639</u>	<u>91,653</u>	<u>36,311</u>	<u>113,662</u>	<u>1,226,265</u>	<u>989,882</u>
Total Expenses Before Depreciation and Amortization	1,294,342	712,904	2,007,246	212,493	232,455	113,662	2,565,856	2,354,613
Depreciation and Amortization	19,527	-	19,527	9,978	-	-	29,505	31,111
Special events	-	-	-	-	-	(113,662)	(113,662)	-
Total Expenses	<u>\$ 1,313,869</u>	<u>\$ 712,904</u>	<u>\$ 2,026,773</u>	<u>\$ 222,471</u>	<u>\$ 232,455</u>	<u>\$ -</u>	<u>\$ 2,481,699</u>	<u>\$ 2,385,724</u>

See notes to financial statements

Nazareth Housing, Inc.

Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services			Supporting Services			2018 Total
	City of New York Department of Homeless Services	Other Program Services	Total Program Services	Management and General	Development and Fundraising	Special Events	
Salaries and wages	\$ 478,107	\$ 451,152	\$ 929,259	\$ 85,592	\$ 78,554	\$ -	\$ 1,093,405
Employees health and welfare benefits	67,643	79,523	147,166	15,334	11,943	-	174,443
Payroll taxes and related expenses	51,218	36,737	87,955	2,919	6,009	-	96,883
Total Personnel Services	596,968	567,412	1,164,380	103,845	96,506	-	1,364,731
Shelter apartment rental	95,706	-	95,706	-	-	-	95,706
Consultants and contracted security	309,002	-	309,002	58,902	22,222	-	390,126
Professional Fees	8,638	-	8,638	15,008	7,881	18,000	49,527
Office supplies	8,344	4,808	13,152	1,409	1,796	72,461	88,818
Telephone	9,008	4,247	13,255	1,351	-	-	14,606
Postage	705	13	718	234	1,044	340	2,336
Office rental	17,426	17,426	34,852	10,218	-	-	45,070
Transportation	3,905	791	4,696	257	65	-	5,018
Program expense	48,785	135,597	184,382	18,782	3,814	5,546	212,524
Repair and maintenance	49,852	1,246	51,098	1,019	-	-	52,117
Utilities	43,047	-	43,047	-	-	-	43,047
Grants and assistance to others	-	50,208	50,208	-	-	450	50,658
Insurance	27,689	5,885	33,574	1,513	-	-	35,087
Bad debt	-	1,000	1,000	-	-	-	1,000
Miscellaneous	-	51	51	810	178	-	1,039
Total Other Expenses	622,107	221,272	843,379	109,503	37,000	96,797	1,086,679
Total Expenses Before Depreciation and Amortization	1,219,075	788,684	2,007,759	213,348	133,506	96,797	2,451,410
Depreciation and amortization	19,157	208	19,365	11,746	-	-	31,111
Special events	-	-	-	-	-	(96,797)	-
Total Expenses	\$ 1,238,232	\$ 788,892	\$ 2,027,124	\$ 225,094	\$ 133,506	\$ -	\$ 2,482,521

See notes to financial statements

Nazareth Housing, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (9,825)	\$ 224,870
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	29,505	31,111
Bad debts	-	1,000
Changes in operating assets and liabilities		
Accounts receivable	923,518	(576,359)
Contributions receivable	(27,043)	(61,985)
Other receivables	(70,965)	20,630
Prepaid expenses	(12,762)	(7,856)
Due from affiliate	4,991	5,000
Accounts payable and accrued expenses	(61,543)	11,849
Deferred income	(10,000)	(72,691)
Net Cash from Operating Activities	765,876	(424,431)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(3,494)
Proceeds from sale of investments	(239,851)	(316,870)
Purchase of investments	(101,000)	(101,000)
Net Cash From Investing Activities	(340,851)	(421,364)
Net Change in Cash and Cash Equivalents	425,025	(845,795)
CASH AND CASH EQUIVALENTS		
Beginning of year	157,875	1,003,670
End of year	\$ 582,900	\$ 157,875

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization

Nazareth Housing, Inc. (the "Organization") is a New York State non-profit corporation established to provide temporary and permanent housing to those individuals and families in financial need in New York City.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with United States of America ("U.S. GAAP"), which 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. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. On January 1, 2018, the Organization adopted the new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Organization to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

Classes of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor- imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Project. Certain restrictions may be need to be maintained in perpetuity.

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Classes of Net Assets (continued)

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. As of June 30, 2019 and 2018, no allowance for doubtful accounts has been deemed necessary.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives. Expenditures for maintenance and repairs are expensed as incurred. Expenditures that improve or extend the estimated useful lives are capitalized. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or term of the lease inclusive of expected renewals.

Furniture, fixtures and equipment	3-7 years
Leasehold improvements	9-10 years

Revenue Recognition

A significant portion of the Organization's operations are funded by various governmental agencies. Revenue provided by these agencies may be subject to predetermined budgets or provisional rates.

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

In-kind Contributions (continued)

Members of the governing board and other volunteers donate time to provide managerial and fund-raising services used in the administration of the Organization, which are not recognized since the above recognition criteria are not met.

Special Events

Revenues and expenses incurred relative to special events are recognized upon occurrence of the respective event. Revenues are shown net of costs of direct benefits to donors.

Fair Value Measurements

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Valuation and Income Recognition

Investments are comprised of money market accounts invested in a Federal Deposit Insurance Corporation (FDIC) Insured Bank Deposit Program managed by STIFEL Bank & Trust. Such deposits may be held at several banks to ensure that FDIC maximum insurance coverage limits are not exceeded. In-kind contributions of stocks or other financial assets are sold immediately so that the settlement of the contribution equals the trade date of the sale transaction.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged. Accordingly, certain costs have been allocated among programs and supporting services benefited based on management's assessment of the benefit derived.

Income Taxes

Nazareth Housing, Inc. is qualified as a tax exempt organization under Section 501(c)(3) of the Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Code. Accordingly, no provision for federal or state income taxes has been made.

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Income Taxes (continued)

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2016.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were available to be issued, which date is March 26, 2020.

3. Investments and Investment Return

The following are major categories of investments measured at fair value on a recurring basis at June 30, grouped by the fair value hierarchy, for those investments subject to categorization with such hierarchy:

Description	2019		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Money market fund	\$ 1,172	\$ -	\$ 1,172
Fixed income securities	-	1,131,101	1,131,101
Total Investments at Fair Value	\$ 1,172	\$ 1,131,101	\$ 1,132,273
Description	2018		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Money market fund	\$ 615,038	\$ -	\$ 615,038
Fixed income securities	-	176,384	176,384
Total Investments at Fair Value	\$ 615,038	\$ 176,384	\$ 791,422

There were no transfers between Level 1 and 2 of the fair value hierarchy during 2018 and 2019.

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

3. Investments and Investment Return (continued)

Total investment return consists of the following for the year ended June 30:

	2019	2018
Interest and dividends from investments	\$ 82	\$ 92
Realized and unrealized gain on investments	15,220	5,554
	\$ 15,302	\$ 5,646

4. Property and Equipment

Property and equipment consist of the following at June 30:

	2019	2018
Furniture, fixtures and equipment	\$386,154	\$386,154
Leasehold improvements	107,307	107,307
Accumulated depreciation and amortization	(327,353)	(297,848)
	\$166,108	\$195,613

Depreciation and amortization expense for the years ended June 30, 2019 and 2018 is \$29,505 and \$31,111.

5. Net Assets With Donor Restrictions

Net Assets with donor restrictions available for various programs or purposes and were expended and released from restrictions during the years ended June 30:

Program/Purpose	Balance June 30, 2018	Net Assets Additions in 2019	Net Assets Released in 2019	Balance June 30, 2019
LESReady!	\$ 71,595	\$ -	\$ (20,442)	\$ 51,153

6. Lease Agreements

Office Spaces

The Organization entered into an extended lease for office space at 519 E. 11th Street through October 31, 2017, at which time the Organization began rental payments on a month to month basis. Rent expense was \$32,271 and \$31,794 in 2019 and 2018.

The Organization also entered into a facilities use agreement for office space at 137 E. 2nd Street with Catholic Charities of the Archdiocese of New York expired June 2017, at which time Organization began rental payments on a month to month basis. Rent expense was \$10,729 and \$10,218 in 2019 and 2018.

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

6. Lease Agreements (continued)

Shelter Apartments

As part of its mission, the Organization has entered into apartment lease agreements with its affiliates Nazareth House Housing Development Fund Corporation (“Nazareth HDFC”) and 721 East 6th Street Housing Development Fund Corporation (“721 E 6th HDFC”) for total of eight shelter apartments for families participating in the New York City shelter system. Leases for these apartments are renewed on an annual basis.

Additional shelter apartment rents were paid to non-affiliated parties by the Organization under leases with expiration dates through June 30, 2018 or 2019. The rents are reimbursed through funds received from the City of New York Department of Homeless Services.

For the years ended June 30, 2019 and 2018 shelter apartment rental expense was \$95,706. These amounts include the following payments to the Organization’s affiliates:

	<u>2019</u>	<u>2018</u>
Nazareth HDFC	\$ 25,970	\$ 25,970
721 E 6th HDFC	53,104	53,104
	<u>\$ 79,074</u>	<u>\$ 79,074</u>

Future minimum lease commitments for the office spaces and shelter apartments are as follows:

	<u>Office Space</u>	<u>Shelter Apartments</u>	
	<u>137 East 2nd</u>	<u>Non-affiliated</u>	<u>Affiliated</u>
2020	\$ 4,561	\$ 16,632	\$ 79,865
2021	-	16,632	-
2022	-	16,632	-
2023	-	16,633	-
Thereafter	-	1,064,448	-
	<u>\$ 4,561</u>	<u>\$ 1,130,977</u>	<u>\$ 79,865</u>

7. Transactions with Related Parties (not disclosed elsewhere)

Shelter Program

The Organization utilizes a building owned by one of its affiliates, Crotona Thorpe HDFC, to operate one of its shelter programs. Although there is not a lease, the Organization pays for all capital improvements and operating costs of the building.

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

7. Transactions with Related Parties (*not disclosed elsewhere*) (*continued*)

Due from Affiliate

Due from affiliate consists of advances by the Organization to Nazareth HDFC for the renovation of, and property insurance for, a building located on East 4th Street in lower Manhattan. The site consists of 13 units of permanent housing and 2 units of transitional housing for qualified tenants. The Board of Directors of both organizations have established a periodic repayment policy as funds to repay the loan become available.

For 2019 and 2018, the Board approved a \$5,000 reduction of the debt by grant assistance to Nazareth HDFC. As of June 30, 2019 and 2018 \$78,046 and \$83,037 was outstanding. Interest is not charged on the outstanding amount.

Contributions by Board Members

During the years ended June 30, 2019 and 2018 the Organization received contributions from members of the Board of Directors totaling \$123,265 and \$126,487. These contributions are reported as components of individual contributions and donated services.

8. Management Agreements

The Organization has entered into property management service agreements with its affiliates to manage their property, administrative and operating activities. These agreements shall be automatically renewed on an annual basis.

9. Line of Credit

The Organization has a secured line of credit agreement with JP Morgan Chase Bank with a maximum borrowing of \$100,000 and interest at the prime rate plus 1.35%. No amount was outstanding on the line of credit at June 30, 2019 and 2018.

10. Retirement Plan

The Organization has a 403(b) retirement savings plan for its eligible employees. Employees can elect to defer up to the maximum allowed by the Internal Revenue Code per year to the plan.

11. Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30, 2019:

Nazareth Housing, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

11. Liquidity and Availability of Financial Assets (continued)

Cash	\$ 582,900
Accounts receivables	291,987
Investments	1,132,273
Net Assets with donor imposed restrictions	<u>(51,153)</u>
Total Available Financial Assets	<u>\$ 1,956,007</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

12. Subsequent Event – Coronavirus

The coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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