

NOTE 8 – METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Those expenses include compensation and benefits of several personnel. These expenses are allocated based on an estimate of the percentage of time spent on program and supporting services for each employee. During 2019, the Organization revised its management estimates, to also include rent expense within its allocation methodology, which follows the estimates used to determine the allocation of compensation and benefits of its personnel.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has \$681,027 and \$732,493 of financial assets available within one year of December 31, 2019 and 2018, respectively. None of the financial assets are subject to donor or other contractual restrictions to make them unavailable for general expenditure within one year of the statement of financial position date. The Organization has a goal to maintain cash and cash equivalents on hand to meet ninety days of normal operating expenses, which on average are approximately \$300,000. As of December 31, 2019 and 2018, the Organization has achieved this goal.

The Organization’s financial assets due within one year of the statement of financial position dates at December 31, 2019 and 2018 for general expenditure are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 678,190	\$ 730,626
Investments	5,047	-
Accounts receivable	2,880	1,867
Total	<u>\$ 681,027</u>	<u>\$ 732,493</u>

NOTE 10 – COMMITMENTS

The Organization entered into an agreement with a consulting firm to assist in rebranding the Organization. The amount of the agreement is approximately \$81,000 of which \$50,000 was paid in 2019 and \$31,370 is to be paid in 2020. The Organization also signed an addendum to the original contract that increased the amount to be paid in 2020 by \$32,000. Of the total amount due to the consulting firm in 2020, the Organization prepaid \$4,370 leaving a balance of \$32,000 to be paid in 2020.

During the year ended December 31, 2019, the Organization entered into featured and sustained grant agreements payable in future years. These grants are conditional depending on the level of future fundraising. Because of this funding condition these grants were not recognized as liabilities at December 31, 2019. The grant commitments totaled \$1,086,000, with expected payments being \$761,000, \$300,000, and \$25,000 in the years ended December 31, 2020, 2021, and 2022, respectively.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.