

LEAGUE FOR ANIMAL WELFARE

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
League for Animal Welfare

I have audited the accompanying financial statements of League for Animal Welfare (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 Responsibilities 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of League for Animal Welfare as of December 31, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.


Kathleen F. Wesp, CPA
May 14, 2020

LEAGUE FOR ANIMAL WELFARE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS			
		<u>2019</u>	<u>2018</u>
Cash and cash equivalents		\$ 300,052	\$ 638,311
Accounts receivable		5,256	-
Pledge receivable		300,000	400,000
Investments, at market value		3,972,240	3,515,475
Prepaid expenses		4,553	2,553
Property and equipment, net		3,301,361	1,877,133
Construction in progress		<u>-</u>	<u>26,887</u>
 TOTAL ASSETS		 <u><u>\$ 7,883,462</u></u>	 <u><u>\$ 6,460,359</u></u>
 LIABILITIES AND NET ASSETS			
LIABILITIES			
Line of credit		\$ 1,025,055	\$ -
Accounts payable		66,669	33,660
Accrued expenses		<u>7,559</u>	<u>3,093</u>
TOTAL LIABILITIES		<u><u>1,099,283</u></u>	<u><u>36,753</u></u>
 NET ASSETS			
Without donor restriction		6,780,712	5,628,459
With donor restriction		<u>3,467</u>	<u>795,147</u>
TOTAL NET ASSETS		<u><u>6,784,179</u></u>	<u><u>6,423,606</u></u>
 TOTAL LIABILITIES AND NET ASSETS		 <u><u>\$ 7,883,462</u></u>	 <u><u>\$ 6,460,359</u></u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT						
Contributions and grants	\$ 761,815	\$ 313,551	\$ 1,075,366	\$ 1,085,507	\$ 668,925	\$ 1,754,432
Adoption fees	110,515	-	110,515	97,235	-	97,235
Program fees	50,295	-	50,295	9,145	-	9,145
In-kind contributions	22,623	-	22,623	24,797	-	24,797
Merchandise sales less cost of goods	1,802	-	1,802	3,848	-	3,848
Rental income	-	-	-	400	-	400
Other income	1,142	-	1,142	503	-	503
Special events less direct cost	19,603	-	19,603	13,962	-	13,962
Investment earnings (losses), net	700,365	-	700,365	(68,073)	-	(68,073)
Net assets released from restriction	1,105,231	(1,105,231)	-	4,686	(4,686)	-
TOTAL SUPPORT	2,773,391	(791,680)	1,981,711	1,172,010	664,239	\$ 1,836,249
EXPENSES						
Animal Care	1,341,107	-	1,341,107	1,120,654	-	1,120,654
Management and general	145,285	-	145,285	106,253	-	106,253
Fundraising	134,746	-	134,746	158,146	-	158,146
TOTAL EXPENSES	1,621,138	-	1,621,138	1,385,053	-	1,385,053
INCREASE (DECREASE) IN NET ASSETS	1,152,253	(791,680)	360,573	(213,043)	664,239	451,196
NET ASSETS BEGINNING OF YEAR	5,628,459	795,147	6,423,606	5,841,502	130,908	5,972,410
NET ASSETS, END OF YEAR	\$ 6,780,712	\$ 3,467	\$ 6,784,179	\$ 5,628,459	\$ 795,147	\$ 6,423,606

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 360,573	\$ 451,196
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	116,507	118,044
Unrealized/realized change in market value	(608,656)	142,333
Contributions restricted for construction	(293,051)	(663,105)
Changes in:		
Pledges receivable	94,744	(398,000)
Prepaid expenses	(2,000)	8,662
Accounts payable	33,009	8,528
Accrued expenses	4,466	(6,502)
NET CASH USED (PROVIDED) BY OPERATING ACTIVITIES	<u>(294,408)</u>	<u>(338,844)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of securities	7,565,752	608,748
Purchase of securities	(7,413,861)	(564,392)
Purchase of equipment	(138,786)	-
Construction in progress payments	<u>(1,375,062)</u>	<u>(25,622)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(1,361,957)</u>	<u>18,734</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	1,025,055	-
Contributions restricted for construction	293,051	663,105
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,318,106</u>	<u>663,105</u>
NET CHANGE IN CASH	(338,259)	342,995
CASH AT BEGINNING OF YEAR	<u>638,311</u>	<u>295,316</u>
CASH AT END OF YEAR	<u><u>\$ 300,052</u></u>	<u><u>\$ 638,311</u></u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	2018
Annex	\$ 480	\$ 1,442	\$ 2,884	\$ 4,806	\$ 8,476
Bank fees	4,163	-	4,694	8,857	8,621
Bottle feeding program	1,397	-	-	1,397	3,562
Communications	18,108	185	185	18,478	8,500
Consulting	129	-	-	129	-
Contract labor	-	-	-	-	104
Continuing education	40	-	-	40	1,446
Depreciation	114,177	1,165	1,165	116,507	118,044
Dues and memberships	570	570	1,141	2,281	3,330
Employee appreciation	160	-	-	160	367
Fundraising	-	-	5,468	5,468	8,305
Grounds	31,029	317	316	31,662	27,103
Health insurance	76,838	10,565	8,644	96,047	64,174
Information technology	24,052	245	245	24,542	16,883
Insurance	9,725	-	-	9,725	9,875
Interest	12,735	-	-	12,735	-
Kennel supplies	77,769	-	-	77,769	92,523
Marketing	18,090	1,924	18,474	38,488	32,755
Medical RV and clinic	94,203	-	-	94,203	29,759
Mileage reimbursement	939	469	938	2,346	3,176
Newsletter	-	-	8,212	8,212	10,353
None left behind program	22,611	-	-	22,611	25,575
Office expense	2,631	21,050	2,631	26,312	13,131
Payroll processing	1,910	263	215	2,388	2,582
Payroll taxes	52,052	7,130	5,835	65,017	57,941
Pre-hire expense	1,326	-	-	1,326	1,535
Professional fees	-	13,089	-	13,089	4,560
Salaries	626,930	86,203	70,529	783,662	681,486
Shelter exterior	2,057	-	-	2,057	1,796
Shelter interior	20,088	-	-	20,088	23,789
Spay and neuter vouchers	45,725	-	-	45,725	41,163
Stewardship	-	-	2,570	2,570	1,098
Uniforms	2,685	369	302	3,356	2,304
Utilities	29,250	299	298	29,847	33,390
Vehicle	7,762	-	-	7,762	17,435
Veterinary	39,888	-	-	39,888	28,399
Volunteer training	1,588	-	-	1,588	1,513
	<u>\$ 1,341,107</u>	<u>\$ 145,285</u>	<u>\$ 134,746</u>	<u>\$ 1,621,138</u>	<u>\$ 1,385,053</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	ANIMAL CARE	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Annex	\$ 3,391	\$ 847	\$ 4,238	\$ 8,476
Bank fees	3,597	-	5,024	8,621
Bottle feeding program	3,562	-	-	3,562
Communications	5,994	1,853	653	8,500
Contingencies	-	-	-	-
Contract labor	104	-	-	104
Continuing education	1,420	26	-	1,446
Depreciation	115,682	1,181	1,181	118,044
Dues and memberships	310	-	3,020	3,330
Employee appreciation	367	-	-	367
Fundraising	-	-	8,305	8,305
Grounds	26,561	271	271	27,103
Health insurance	51,339	7,059	5,776	64,174
Information technology	16,545	169	169	16,883
Insurance	7,704	2,093	78	9,875
Kennel supplies	92,523	-	-	92,523
Marketing	5,768	-	26,987	32,755
Medical RV	22,252	2,145	5,362	29,759
Mileage reimbursement	790	-	2,386	3,176
Newsletter	-	-	10,353	10,353
None left behind program	25,575	-	-	25,575
Office expense	7,641	1,462	4,028	13,131
Other taxes	-	-	-	-
Payroll processing	2,066	284	232	2,582
Payroll taxes	46,353	6,373	5,215	57,941
Pre-hire expense	1,535	-	-	1,535
Professional fees	-	4,560	-	4,560
Salaries	545,189	74,963	61,334	681,486
Shelter exterior	1,796	-	-	1,796
Shelter interior	9,515	2,379	11,895	23,789
Spay and neuter vouchers	41,163	-	-	41,163
Stewardship	-	-	1,098	1,098
Uniforms	1,843	254	207	2,304
Utilities	32,722	334	334	33,390
Vehicle	17,435	-	-	17,435
Veterinary	28,399	-	-	28,399
Volunteer training	1,513	-	-	1,513
	<u>\$ 1,120,654</u>	<u>\$ 106,253</u>	<u>\$ 158,146</u>	<u>\$ 1,385,053</u>

See notes to financial statements

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the League for Animal Welfare is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management who is responsible for the integrity and objectivity of the financial statements.

Nature of Operations

Founded in 1949, League for Animal Welfare provides much needed care for unwanted, lost and neglected cats and dogs in the community. As the oldest and one of the largest no-kill shelters in the area, the League serves the Greater Cincinnati area through initiatives to reduce the number of homeless animals and to help people better care for their pets. Using the resources of its dedicated staff, volunteers and supports, the League provides medical care, behavioral training and socialization needed to match homeless animals with lifelong homes. The League's shelter has the capacity to care for approximately 40 dogs and 100 cats with the permanent placement in appropriate, screened and loving homes. Volunteers foster additional dogs and cats and bottle-feed kittens and puppies in their own homes until they are eligible for adoption.

During 2019 construction was completed on the new "Sis & Dick Miller Wellness Clinic" which will provide veterinary care for all of the shelters' animals, other area shelters and rescues and the community at large.

Basis of Presentation

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue and Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single comprehensive model for accounting for revenue from contracts with customers. The Organization adopted the standard on January 1, 2019. Adoption and program fees contain a single delivery element and revenue is recognized at time of service. Special event revenue is equal to the fair value of direct benefit to donors, and contributions revenue for the difference. Analysis of various provisions of this standard resulted in no significant changes in the way revenue was recognized and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

The organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with measureable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when the stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Donated Services and In-Kind Contributions

Donated services are recognized as contribution if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. The organization relies on many volunteers to carry out its programs but no amounts have been recorded in the statements of activities because the criteria for recognition have not been satisfied. Contributed supplies are recorded at fair value the date of donation.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long term purposes are excluded from this definition.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statements of financial position. Net investment return/loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts and pledge receivable

The organization considers all contributions receivable to be fully collectible; accordingly no allowance for doubtful accounts is considered necessary.

Property and Equipment

Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Depreciation expense is computed on the straight-line method over the estimated useful life of the assets. Expenditures for major renewals and betterments that extend the useful lives of fixed assets are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation was \$116,507 and \$118,044 during 2019 and 2018.

Fair Value of Financial Instruments

Assets and liabilities measured at fair value are categorized into one of three different levels depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are market-observable inputs for measuring the asset or liability other than quoted prices included within Level 1. Level 3 inputs are observable inputs for measuring the asset or liability reflecting significant modifications to observable related market data or the organization's assumptions about pricing by market participants. The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy.

Advertising

Advertising and marketing is expensed as incurred Expenses for the years ending December 31, 2019 and 2018 was \$38,488 and \$32,755, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include: caretaker house, communications, depreciation, grounds, information technology, insurance, shelter interior and exterior, and, utilities which are allocated on a square-footage basis, as well as payroll and payroll taxes which are allocated on the basis of estimates of time and effort.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to a determination letter from the Internal Revenue Service. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions. The Organization's returns are subject to examination by the IRS generally for 3 years from filing date. Management believes that all positions taken in the tax returns would be sustained upon examination based on the technical merits should the returns be examined. For the years ended December 31, 2019 and 2018, there were no income tax penalties and interest recorded.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Concentration and Credit Risk

The Organization manages deposit concentration risk by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of those accounts.

NOTE #2 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following:

	<u>2019</u>	<u>2018</u>
Contributions due in less than one year		
More than a shelter campaign	<u>\$100,000</u>	<u>\$100,000</u>
Total due in less than one year	<u>\$100,000</u>	<u>\$100,000</u>
 Contributions due in more than one year		
More than a shelter campaign	<u>200,000</u>	<u>\$300,000</u>
Total due in more than one year	<u>200,000</u>	<u>\$300,000</u>
	<u>\$300,000</u>	<u>\$400,000</u>

These receivables are recorded at their face amounts rather than being reduced to their net present values because the amount of discounts would be immaterial to the financial statements.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #3 - INVESTMENTS

Long term investments, carried at market value based on quoted prices in active markets (all level 1 measurements) at December 31, 2019 and 2018 consisted of the following:

	2019	2019 Cost	2018	2018 Cost
Cash and money funds	\$ 99,474	\$ 99,474	\$ 207,454	\$ 207,454
Fixed income	1,195,023	1,173,459	931,935	949,902
Mutual funds	-0-	-0-	545,922	592,252
Equities	2,677,743	2,403,486	1,830,164	1,175,314
	<u>\$3,972,240</u>	<u>\$3,676,419</u>	<u>\$3,515,475</u>	<u>\$2,924,922</u>

NOTE #4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2019 and 2018 consisted of the following:

	2019	2018
Equipment and furniture	\$ 364,565	\$ 229,976
Buildings and improvements	3,254,535	1,848,389
Medical RV and equipment	164,544	164,544
Vehicles	154,069	154,069
Land	632,742	632,742
	<u>4,570,455</u>	<u>3,029,720</u>
Less: accumulated depreciation	<u>(1,269,094)</u>	<u>(1,152,587)</u>
	<u>\$ 3,301,361</u>	<u>\$ 1,877,133</u>

NOTE #5 - LINE OF CREDIT

In 2019, the organization obtained a line of credit in the amount of \$1,500,000 from PNC Bank secured by a pledge of the organization's investment account. It bears interest at the Daily LIBOR rate plus 1.6%, resulting in an interest rate of 3.3625% as of December 31, 2019. The outstanding balance on the line of credit was \$1,025,055.

NOTE #6- NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes:

	2019	2018
More than a shelter campaign	\$ -0-	\$ 791,680
Cat shelving	2,333	2,333
Agricultural grant	1,134	1,134
	<u>\$ 3,467</u>	<u>\$ 795,147</u>

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #7– LIQUIDITY AND AVAILABILITY

The following reflects the Organization’s financial assets reduced by amounts not available for general use within 12 months because of contractual or donor-imposed restrictions.

	2019	2018
Financial assets at year end	\$4,107,548	\$4,253,786
Less: funds unavailable for general expenditures within one year		
Restricted by donor for specific purposes	(3,467)	(795,147)
Financial assets available to meet cash needs for general operations within one year	<u>\$4,104,081</u>	<u>\$3,458,639</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the organization has a line of credit for \$1,500,000, with \$474,945 available at year end.

NOTE #8– LEASES

The organization has a lease for office equipment that will expire in 2020.

Future minimum lease payments are as follows:

2020	\$ 3,240
2021	-0-
2022	-0-
2023	-0-
2024 and thereafter	-0-
Total minimum lease payments	<u>\$ 3,240</u>

NOTE #9– SUBSEQUENT EVENTS

The organization has evaluated subsequent events for recognition and disclosure through May 14, 2020, the date the financial statements were available to be issued. Through that date, there were no events requiring adjustments to or disclosures in the financial statements except as disclosed below.

Subsequent to year-end, a new coronavirus known as “COVID-19” began to spread rapidly leading the World Health Organization to declare the virus a “global pandemic”. COVID-19 has already caused significant disruption in the United States to normal operations for business, nonprofit organizations and the U.S. economy. In late March and April, the organization was required to close the shelter and clinic. On May 1, 2020, the shelter and clinic were allowed to reopen on a limited basis.

LEAGUE FOR ANIMAL WELFARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE #9- SUBSEQUENT EVENTS- CONTINUED

A loan from PNC Bank for \$152,500 pursuant to the Paycheck Protection Program (the "PPP") under the CARES Act, which was enacted March 27, 2020 was obtained. The proceeds may only be used for payroll costs, rent and utilities and may be forgiven if they are used for qualifying expenses and payroll is maintained. The organization expects the proceeds to be forgiven.

The United States and global markets experienced significant declines in value resulting from the uncertainty caused by COVID-19. The organization is closely monitoring the investment portfolio and its liquidity and are actively working to minimize the impact of these declines. The financial statements do not include adjustments to fair value that have resulted from these declines.

Estimates of the financial effects of COVID-19 cannot be determined at this time

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