

THE RAINBOW CONNECTION
(A Nonprofit Organization)

FINANCIAL STATEMENTS

DECEMBER 31, 2020
(With Independent Auditor's Report Thereon)

THE RAINBOW CONNECTION
(A Nonprofit Organization)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Rainbow Connection
(A Nonprofit Organization)

We have audited the accompanying financial statements of The Rainbow Connection (A Nonprofit Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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.

Auditor's 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

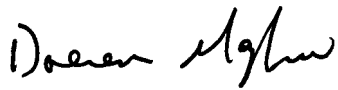
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

Auditor's Responsibility (Continued)

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 The Rainbow Connection (A Nonprofit Organization) as of December 31, 2020 and 2019, 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.



Troy, Michigan
April 27, 2021

THE RAINBOW CONNECTION
(A Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 1,606,281	\$ 861,443
Investment equity securities (note 4)	1,591,605	1,255,219
Receivables:		
Donations receivable (notes 3 and 5)	31,223	46,100
Interest receivable	1,097	1,683
Grants receivable	-	30,000
Deposits	600	11,200
	3,230,806	2,205,645
Property and equipment:		
At cost, less accumulated depreciation of \$469,610 in 2020 and \$431,397 in 2019 (note 6)	517,161	525,246
Total assets	\$ 3,747,967	\$ 2,730,891
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 5,512	\$ 2,663
Accrued expenses	15,969	9,069
Current portion of capital lease (note 6)	-	351
Deferred revenue (note 5)	5,243	13,142
Paycheck Protection Program loan (note 7)	115,500	-
	142,224	25,225
Net assets (note 8):		
Without donor restrictions	3,499,762	2,609,149
With donor restrictions	105,981	96,517
	3,605,743	2,705,666
Total liabilities and net assets	\$ 3,747,967	\$ 2,730,891

See accompanying notes to financial statements

THE RAINBOW CONNECTION
(A Nonprofit Organization)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Without Donor Restrictions	With Donor Restrictions	Total	%	Without Donor Restrictions	With Donor Restrictions	Total	%
Revenues and support:								
Public support:								
Contributions	\$ 798,820	\$ 77,700	\$ 876,520	31.9	\$ 939,768	\$ 20,000	\$ 959,768	26.7
Donated assets and services (note 2)	610,066	-	610,066	24.4	1,142,760	-	1,142,760	31.8
Memorials and bequests	122,896	-	122,896	4.9	220,196	-	220,196	6.1
Special event revenue	830,235	15,825	846,060	33.1	1,114,459	30,500	1,144,959	31.0
Total public support	2,362,017	93,525	2,455,542	94.3	3,417,183	50,500	3,467,683	95.6
Interest income	43,669	-	43,669	1.7	46,354	-	46,354	1.3
Loss on disposition of property and equipment	(490)	-	(490)	-	-	-	-	-
Unrealized and realized gain on investments	99,498	-	99,498	3.9	108,452	-	108,452	2.9
Total revenues and support	2,504,694	93,525	2,598,219	99.9	3,571,989	50,500	3,622,489	99.8
Expenses:								
Program services	1,417,817	-	1,417,817	56.6	2,307,194	-	2,307,194	64.2
Fundraising	129,734	-	129,734	5.2	167,704	-	167,704	4.7
Special event expense	49,546	-	49,546	2.0	178,214	-	178,214	4.9
General and administrative	101,045	-	101,045	4.0	103,084	-	103,084	2.9
Total expenses	1,698,142	-	1,698,142	67.8	2,756,196	-	2,756,196	76.7
Release of net assets from restrictions	84,061	(84,061)	-		73,122	(73,122)	-	
Changes in net assets	890,613	9,464	900,077		888,915	(22,622)	866,293	
Net assets - beginning	2,609,149	96,517	2,705,666		1,720,234	119,139	1,839,373	
Net assets - ending	<u>\$ 3,499,762</u>	<u>\$ 105,981</u>	<u>\$ 3,605,743</u>		<u>\$ 2,609,149</u>	<u>\$ 96,517</u>	<u>\$ 2,705,666</u>	

See accompanying notes to financial statements

THE RAINBOW CONNECTION
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STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Program Services	Fundraising	General and Administrative	Total	Program Services	Fundraising	General and Administrative	Total
Employee compensation:								
Salaries - administrative	\$ 453,836	\$ 72,353	\$ 37,954	\$ 564,143	\$ 424,980	\$ 95,120	\$ 44,915	\$ 565,015
Payroll taxes	32,641	5,204	2,730	40,575	30,828	6,900	3,258	40,986
Total employee compensation	486,477	77,557	40,684	604,718	455,808	102,020	48,173	606,001
Other expenses:								
Rainbow wishes	143,398	-	-	143,398	585,476	-	-	585,476
Donated services (note 2)	588,840	-	16,476	605,316	1,076,726	-	21,974	1,098,700
Promotion expense	14,678	1,631	-	16,309	68,543	7,616	-	76,159
Automotive expense	6,650	350	-	7,000	9,873	520	-	10,393
Bank service charge	4,868	24,341	3,245	32,454	5,238	26,192	3,493	34,923
Depreciation expense	20,039	198	19,445	39,682	19,115	375	17,990	37,480
Insurance	5,377	1,344	2,241	8,962	5,077	1,269	2,115	8,461
Miscellaneous	22,476	4,214	1,405	28,095	3,137	588	196	3,921
Office expense	8,988	1,685	562	11,235	13,730	2,575	858	17,163
Postage and shipping	6,021	1,129	376	7,526	7,341	1,376	459	9,176
Professional fees	-	2,100	8,400	10,500	6,300	2,100	2,100	10,500
Repairs and maintenance	14,261	3,565	5,942	23,768	7,984	1,996	3,326	13,306
Equipment lease expense	3,191	598	200	3,989	3,648	684	227	4,559
Telephone	10,152	1,194	598	11,944	9,577	1,127	563	11,267
Special response expenses	57,711	-	-	57,711	1,755	-	-	1,755
Scholarship expense	10,500	-	-	10,500	24,000	-	-	24,000
Grant research expense	10,660	-	-	10,660	-	-	-	-
Other events and benefits expense	-	8,946	-	8,946	-	18,299	-	18,299
Utilities	3,530	882	1,471	5,883	3,866	967	1,610	6,443
Total functional expenses	<u>\$ 1,417,817</u>	<u>\$ 129,734</u>	<u>\$ 101,045</u>	<u>\$ 1,648,596</u>	<u>\$ 2,307,194</u>	<u>\$ 167,704</u>	<u>\$ 103,084</u>	<u>\$ 2,577,982</u>

See accompanying notes to financial statements

THE RAINBOW CONNECTION
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STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Changes in net assets	\$ 900,077	\$ 866,293
Adjustments:		
Depreciation	39,682	37,480
Unrealized and realized (gain) loss on investments	(99,498)	(108,452)
Donated building improvements and equipment	(4,750)	(45,000)
Loss on disposition of property and equipment	490	-
(Increase) decrease in:		
Donations and interest receivable	15,463	(37,000)
Grants receivable	30,000	30,000
Deposits	10,600	(10,200)
Increase (decrease) in:		
Accounts payable	2,849	(5,609)
Accrued expenses	6,900	303
Deferred revenue	(7,899)	(6,480)
Total adjustments	(6,163)	(144,958)
Net cash provided from operating activities	893,914	721,335
Cash flows from investing activities:		
Acquisition of property and equipment	(27,337)	(800)
Proceeds from sale of investments	111,080	355,795
Purchase of investments	(311,080)	(656,471)
Interest income on investments	(36,888)	(43,380)
Net cash used in investing activities	(264,225)	(344,856)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	115,500	-
Repayments on capital lease	(351)	(682)
Net cash provided from (used in) financing activities	115,149	(682)
Net increase in cash and cash equivalents	744,838	375,797
Cash and cash equivalents - beginning	861,443	485,646
Cash and cash equivalents - ending	\$ 1,606,281	\$ 861,443
<u>Disclosure of Cash Flow Information</u>		
Donated equipment	\$ 4,750	\$ 45,000

See accompanying notes to financial statements

THE RAINBOW CONNECTION
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Business

The Rainbow Connection (A Nonprofit Organization) (the Organization) is a Michigan non-profit, public organization approved by the Internal Revenue Service to make dreams come true for Michigan children with life-threatening medical conditions and provide support services to the families. The Organization's sources of revenue are principally contributions and special fundraising events.

Cash and Cash Equivalents

The statements of cash flows classify changes in cash or cash equivalents (short-term, highly liquid investments readily convertible into cash with an original maturity of three months or less) according to operating, investing or financing activities. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and temporary cash investments. The Organization maintains cash balances at high credit quality financial institutions. The Organization's accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization had cash balances of approximately \$872,500 and \$399,200 held at financial institutions in excess of the FDIC insurance limit for the years ended December 31, 2020 and 2019, respectively. The Organization places its temporary cash investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution. The Organization believes no significant concentration of credit risk exists with respect to these cash investments.

Basis of Accounting

The Organization records revenues and support and expenses in the accompanying financial statements using the accrual basis of accounting. Donations are recorded when received or at the time the Organization has an established right to the donation and the amount is measurable.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and measured at fair value. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other contributions are reported as net assets without donor restrictions.

THE RAINBOW CONNECTION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Special Event

Special event revenue is generated through ticket sales and sponsorship agreements associated with the event. Revenue is recognized upon the event occurring and the customer being admitted. Any revenues received in advance of the event are reported as deferred revenue.

Investments

The Organization's investments are classified as equity securities, which are measured at fair value as of the statement of financial position date.

Realized gains and losses on investment transactions are recorded as the difference between proceeds received and carrying value. Net unrealized appreciation or depreciation in the fair market value of investments is recorded as the change in carrying value of the investment portfolio from the beginning of the year or date of purchase to the end of the year.

Fair Value Measurements

Generally accepted accounting principles established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurements

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. See Note 4, Investments, for investment valuations.

Income Tax Status

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Although the Organization was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income". No income tax was incurred during the years ended December 31, 2020 and 2019.

The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2017 - 2020.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 estimates.

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statements of activities and changes in net assets. In the statements of functional expenses, salaries and related expenses are allocated to program services and supporting services on the basis of actual or estimated time devoted to those activities. Insurance, miscellaneous, office expense, postage and shipping, repairs and maintenance, equipment lease expense, telephone, and utilities are allocated based on employee activity. Depreciation expense is allocated based on square footage. Rainbow wishes, donated services, promotion expense, special response expenses, grant research expense, and scholarship expense are allocated based on actual usage.

THE RAINBOW CONNECTION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable are stated based on contracted rates. No allowance for uncollectible accounts has been provided. Management has evaluated the accounts based on historical experience and review of current status and believes they are all collectible.

Paycheck Protection Program (PPP) Loan Accounting - Debt Model

The Organization elected to account for its PPP funds utilizing the Debt Accounting Model. Under the Debt Model the PPP loan proceeds would be recorded as a liability and interest would also be recorded. Once the entity is legally released as the primary obligor from the creditor, the liability would be derecognized and a gain on “PPP loan extinguishment” would be recorded.

Net Asset Classifications

Net assets of the Organization are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Organization’s ability to use or dispose of contributed assets. The Organization reports contributions of cash or other assets as with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions with donor imposed time or purpose restrictions that are met in the same period as the gift are reported as net assets without donor restrictions.

Reclassification

Certain amounts in the December 31, 2019 financial statements have been reclassified to conform to the presentation of the December 31, 2020 financial statements. These reclassifications had no effect on the December 31, 2019 net assets, changes in net assets or cash flows as previously reported.

Risks and Uncertainties

Global efforts to contain the spread of COVID-19, often referred to as the Coronavirus, have significantly impacted many businesses and the economy. While the situation is evolving rapidly, and the full impact is not yet known, the disruption caused by the Coronavirus is affecting business and consumer activities worldwide. The Organization is assessing the impact on its operations and cash flows, but currently the disruption and uncertainty caused by the Coronavirus is far reaching and the ultimate effects of this event are unknown.

THE RAINBOW CONNECTION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including April 27, 2021, which is the date the financial statements were available to be issued.

Subsequent to year end, the Organization received full forgiveness of their Paycheck Protection Program loan. Then, in January 2021, the Organization received a second Paycheck Protection Program loan in the amount of \$115,500.

Note 2 - Donated Assets and Services

Donated services and materials are reflected as contribution related expenses at their estimated fair values at the date of receipt. The Organization received revenue and the following donated services and materials during the years ended December 31, 2020 and 2019:

Description of Donation	2020	2019
Volunteer services at Wish parties, picnics and games for Wish children, Pathway of Angels maintenance, mailing and Board of Director services	\$ 44,640	\$ 86,385
Materials such as event tickets and other items that were then provided to current and previous Wish children and their families as part of the Wish Enhancement Program	<u>565,426</u>	<u>1,056,375</u>
Total	<u>\$ 610,066</u>	<u>\$ 1,142,760</u>

Note 3 - Donations Receivable

Donations receivable consist of unconditional promises to give that the Organization will collect in future periods. The receivable consists of the following at December 31, 2020 and 2019:

Celebration of Dreams	\$ 31,223	\$ 43,650
Dream Makers Ball	-	1,000
Detroit Uncorked	<u>-</u>	<u>1,450</u>
	<u>\$ 31,223</u>	<u>\$ 46,100</u>

THE RAINBOW CONNECTION
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 4 - Investments

The tables below segregate all financial assets as of December 31, 2020 and 2019 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	December 31, 2020			
	<u>Fair Value Based on</u>			
	<u>Assets</u>	<u>Quoted</u>	<u>Other</u>	<u>Unobserv-</u>
	<u>Measured</u>	<u>in Active</u>	<u>Observable</u>	<u>able</u>
	<u>At Fair</u>	<u>Markets</u>	<u>Inputs</u>	<u>Inputs</u>
	<u>Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Equity securities:				
Cash and money market	\$ 11,715	\$ -	\$ 11,715	\$ -
U.S. equities	871,652	871,652	-	-
International equities	172,604	172,604	-	-
Fixed income	443,237	443,237	-	-
Mixed assets	<u>92,397</u>	<u>92,397</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 1,591,605</u>	<u>\$ 1,579,890</u>	<u>\$ 11,715</u>	<u>\$ -</u>
	December 31, 2019			
	<u>Fair Value Based on</u>			
	<u>Assets</u>	<u>Quoted</u>	<u>Other</u>	<u>Unobserv-</u>
	<u>Measured</u>	<u>in Active</u>	<u>Observable</u>	<u>able</u>
	<u>At Fair</u>	<u>Markets</u>	<u>Inputs</u>	<u>Inputs</u>
	<u>Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Equity securities:				
Cash and money market	\$ 12,993	\$ -	\$ 12,993	\$ -
U.S. equities	608,577	608,577	-	-
International equities	129,571	129,571	-	-
Fixed income	336,984	336,984	-	-
Mixed assets	<u>167,094</u>	<u>167,094</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 1,255,219</u>	<u>\$ 1,242,226</u>	<u>\$ 12,993</u>	<u>\$ -</u>

THE RAINBOW CONNECTION
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 4 - Investments (Continued)

For the above equity securities, the fair value was determined by reference to quoted market prices in active markets (Level 1) and other relevant information generated by market transactions. Cash and money market are categorized as Level 2 investments since they are not actively traded.

Note 5 - Contract Balances

The following table summarizes our beginning and ending balances for contract liabilities associated with our contracts with customers.

	<u>Ending</u>	<u>Beginning</u>
 <u>2020</u>		
Contract liabilities:		
Deferred revenue	\$ <u>5,243</u>	\$ <u>13,142</u>
 <u>2019</u>		
Contract liabilities:		
Deferred revenue	\$ <u>13,142</u>	\$ <u>19,622</u>

Contract liabilities relate to deferred revenue for which the Organization has future performance obligations to the customer. Deferred revenue represents contributions received in advance for special events set to occur during future periods. The associated revenue will be recognized at the point in time the special events take place. The Organization does not have any contract assets as defined in ASC 606.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 6 - Property and Equipment

The principal categories of property and equipment may be summarized as follows:

	<u>2020</u>	<u>2019</u>
Land, building and building improvements	\$ 873,197	\$ 852,597
Furniture and equipment	85,574	76,046
Vehicles	<u>28,000</u>	<u>28,000</u>
Total cost	986,771	956,643
Less accumulated depreciation	<u>469,610</u>	<u>431,397</u>
Undepreciated cost	<u>\$ 517,161</u>	<u>\$ 525,246</u>

Property and equipment are recorded at cost. The Organization capitalizes assets with an initial cost of more than \$500. Depreciation is provided on a straight-line basis over the estimated useful lives (5 to 39 years) of the assets. Depreciation expense for the years ended December 31, 2020 and 2019 amounted to \$39,682 and \$37,480, respectively.

Note 7 - Paycheck Protection Program Loan

On April 14, 2020, the Organization entered into a Loan Agreements and Promissory Notes (SBA Loan) pursuant to the Paycheck Protection Program (PPP) under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration.

The Organization received total loan proceeds of \$115,500. The loan is scheduled to mature on April 14, 2022, carries a 1.00% interest rate, and is subject to the terms and conditions applicable to loans administered by the U.S. Small Business Administration under the CARES Act. The loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. The loan contains customary events of default relating to, among other things, payment defaults and breaches of representations and warranties. Subject to certain conditions, the loan may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the PPP. The amount of loan proceeds eligible for forgiveness is determined on a formula based on a number of factors, including the amount of loan proceeds used by the Organization during the 24 weeks after the loan origination for certain purposes, including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, provided that, among other matters, at least 60% of the loan amount is used for eligible payroll costs, the maintenance or rehiring of employees, and maintaining salaries at certain levels. In accordance with the requirements of the CARES Act and the PPP, the Organization used the proceeds from the loan primarily for payroll costs. The Organization received full loan forgiveness subsequent to year end.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2020 and 2019 are for the following purposes:

	2020	2019
Restricted for specific purposes:		
Impact kits	\$ 28,749	\$ 60,017
Scholarships for wish children	21,825	16,500
Special response	30,557	20,000
Capital improvements	24,850	-
	\$ 105,981	\$ 96,517

Note 9 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Total current assets	\$ 3,230,806	\$ 2,205,645
Less those unavailable for general expenditure within one year, due to:		
Restricted by donor with time or purpose restrictions	(105,981)	(96,517)
Less deposits	(600)	(11,200)
Total	\$ 3,124,225	\$ 2,097,928

Financial assets in the amount of \$3,124,225 are available for general expenditure without donor or other restrictions limiting their use for the year ended December 31, 2020. If funds to cover the cost of current liabilities, excluding the Paycheck Protection Program loan, are backed out, a net amount of \$3,097,501 is available. Should a severe shortage of liquid assets occur, the Organization could liquidate a portion of its investment portfolio, which totaled approximately \$1,592,000 as of December 31, 2020.

* * * End of Notes * * *