

THE EMPTY STOCKING FUND, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

MARCH 31, 2020 AND 2019

**Prepared by
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Certified Public Accountants
6100 Lake Forrest Drive NW, Suite 430
Atlanta, Georgia 30328**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Empty Stocking Fund, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of The Empty Stocking Fund, Inc. (a Georgia nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, 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 controls 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 audit. We conducted our audit 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 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 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 auditors consider internal controls 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 controls. 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.

Board of Directors
The Empty Stocking Fund, Inc.
Atlanta, Georgia
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Empty Stocking Fund, Inc. as of March 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.



Atlanta, Georgia
October 1, 2020

THE EMPTY STOCKING FUND, INC.

Statements of Financial Position

March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 193,687	\$ 271,186
Investments	1,437,137	1,429,670
Inventory	908,204	248,950
Prepaid Expenses	12,520	2,979
Accounts Receivable	<u>1,100</u>	<u>-</u>
Total Current Assets	<u>2,552,648</u>	<u>1,952,785</u>
FIXED ASSETS		
Fixed Assets	82,281	14,040
Accumulated Depreciation	<u>(10,985)</u>	<u>(9,529)</u>
Total Fixed Assets	<u>71,296</u>	<u>4,511</u>
OTHER ASSETS		
Deposit	<u>11,542</u>	<u>2,000</u>
Total Other Assets	<u>11,542</u>	<u>2,000</u>
Total Assets	<u>\$ 2,635,486</u>	<u>\$ 1,959,296</u>
LIABILITIES and NET ASSETS		
CURRENT LIABILITIES		
Credit Card Payable	<u>\$ 2,301</u>	<u>\$ 2,527</u>
Total Current Liabilities	<u>2,301</u>	<u>2,527</u>
NET ASSETS		
Without Donor Restriction	<u>2,633,185</u>	<u>1,956,769</u>
Total Net Assets	<u>2,633,185</u>	<u>1,956,769</u>
Total Liabilities and Net Assets	<u>\$ 2,635,486</u>	<u>\$ 1,959,296</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of these statements.

THE EMPTY STOCKING FUND, INC.

Statements of Activities

For the Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenues and Support</u>		
Corporate Sponsorships/Foundation Grants	\$ 539,230	\$ 242,384
Individual Gifts	776,709	805,337
Revenue – Other	3,923	2,789
Investment Return	(145,845)	108,011
In-Kind Contributions/Services	<u>1,039,365</u>	<u>47,937</u>
Total Revenues and Support	<u>2,213,382</u>	<u>1,206,458</u>
<u>Expenditures</u>		
Program Services	1,253,645	829,451
Supporting Services		
Fundraising	213,285	157,871
Management and General	<u>70,036</u>	<u>25,881</u>
Total Expenditures	<u>1,536,966</u>	<u>1,013,203</u>
Increase in Net Assets	<u>676,416</u>	<u>193,255</u>
Beginning Net Assets Without Donor Restrictions	<u>1,956,769</u>	<u>1,763,514</u>
Ending Net Assets Without Donor Restrictions	<u>\$ 2,633,185</u>	<u>\$ 1,956,769</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of these statements.

THE EMPTY STOCKING FUND, INC.

Statement of Functional Expenses

For the Year Ended March 31, 2020

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
Costs of Goods Distributed	\$ 874,477	\$ -	\$ -	\$ 874,477
Costs of Distribution	42,491	6,690	-	49,181
Personnel	235,158	111,540	12,297	358,995
Postage and Shipping	215	11,413	331	11,959
Insurance	10,826	-	2,057	12,883
Marketing and Advertising	15,581	2,436	-	18,017
Bank and Transaction Processing Fees	-	10,772	-	10,772
Professional Services	53,480	15,149	33,764	102,393
JROTC Incentive Awards	-	11,275	-	11,275
Facilities	6,975	-	-	6,975
Telephone and Internet	-	-	3,057	3,057
Printing and Production	1,793	25,360	42	27,195
Travel and Meals	4,256	5,334	928	10,518
Dues, Subscriptions, and Licenses	3,558	13,316	2,238	19,112
Board Development	-	-	449	449
Depreciation	-	-	11,693	11,693
Furniture and Equipment	<u>4,835</u>	<u>-</u>	<u>3,180</u>	<u>8,015</u>
	<u>\$ 1,253,645</u>	<u>\$ 213,285</u>	<u>\$ 70,036</u>	<u>\$ 1,536,966</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of these statements.

THE EMPTY STOCKING FUND, INC.

Statement of Functional Expenses

For the Year Ended March 31, 2019

		<u>Supporting Services</u>	Management and <u>General</u>	<u>Total</u>
	<u>Program Services</u>	<u>Fund Raising</u>		
Costs of Goods Distributed	\$ 475,201	\$ 476	\$ 1,692	\$ 477,369
Costs of Distribution	40,541	-	-	40,541
Personnel	200,678	44,917	12,032	257,627
Postage and Shipping	104	9,740	836	10,680
Insurance	5,173	2,057	21	7,251
Marketing and Advertising	60	27,009	-	27,069
Bank and Transaction Processing Fees	-	16,133	1,807	17,940
Professional Services	42,860	7,853	2,742	53,455
JROTC Incentive Awards	-	20,287	-	20,287
Facilities	23,542	2,824	2,824	29,190
Telephone and Internet	4,079	1,443	462	5,984
Printing and Production	25,693	10,936	-	36,629
Travel and Meals	4,651	3,485	441	8,577
Dues, Subscriptions, and Licenses	367	10,342	318	11,027
Board Development	6,502	369	1,040	7,911
Depreciation	-	-	1,666	1,666
	<u>\$ 829,451</u>	<u>\$ 157,871</u>	<u>\$ 25,881</u>	<u>\$ 1,013,203</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of these statements.

THE EMPTY STOCKING FUND, INC.

Statements of Cash Flows

For the Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows (to) from Operating Activities:		
Increase in Net Assets	\$ 676,416	\$ 193,255
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
(Gain) on Disposition of Investments	(20,436)	(65,832)
Donated Investments	(1,616)	(1,205)
Depreciation	11,693	1,666
Unrealized (Gain) Loss on Investments	200,762	(12,889)
Loss on Disposition of Fixed Assets	1,122	-
Donated Fixed Assets	(79,600)	-
Changes in Assets and Liabilities:		
Inventory	(659,254)	(39,925)
Prepaid Expenses and Deposits	(19,084)	(3,797)
Accounts Payable	(226)	(2,979)
Accounts Receivable	<u>(1,100)</u>	<u>-</u>
Net Cash Flows Provided by Operating Activities	<u>108,677</u>	<u>68,294</u>
Net Cash Flows Used in Investing Activities:		
Purchases of Fixed Assets	-	(2,574)
Proceeds – Sale of Investments	374,724	687,124
Purchases and Reinvestments of Investments	<u>(560,900)</u>	<u>(740,103)</u>
Net Cash Flows Used in Investing Activities	<u>(186,176)</u>	<u>(55,553)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(77,499)	12,741
Cash and Cash Equivalents at Beginning of Year	<u>271,186</u>	<u>258,445</u>
Cash and Cash Equivalents at End of Year	<u>\$ 193,687</u>	<u>\$ 271,186</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of these statements.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The Empty Stocking Fund, Inc. (the “Organization”) is a Georgia (not-for-profit) corporation whose purpose is to empower parents of disadvantaged youth. The Organization receives charitable contributions from individuals, corporations, and public and private foundations. The majority of activities of the Organization are conducted or supported by numerous volunteers. These volunteers include individuals, civic organizations, and corporate volunteer groups. A volunteer Board of Directors also governs the Organization.

Since 1927, the Organization has brought joy to the lives of children in need, and relief and dignity to their parents by giving them an opportunity to shop for toys and gifts to give their children during the holiday season. Through relationships with wholesale distributors and in-kind donations from trusted corporations, the Organization acquires brand new items in sufficient quantities to offer a variety of age- and gender-appropriate holiday gift choices. In December, the Organization invites parents and guardians of children under the age of 12, who are receiving public assistance, to come to Santa’s Village to choose and receive their children’s gifts.

In July 2019, the Organization expanded its reach with the acquisition of the assets of Kids in Need, a school supply distribution program operated by the Atlanta Community Food Bank. Under the terms of the agreement, the Food Bank transferred inventory (school supplies) and related equipment to the Organization and made a one-time financial contribution to support initial operating costs. In total, the newly acquired school supply distribution program reached an estimated 100,000 disadvantaged students in Georgia during the 2019 back to school season.

2. Tax Status

The Empty Stocking Fund, Inc. is an Organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified by the Internal Revenue Service as an Organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. The Organization’s tax returns for 2017, 2018, and 2019 are subject to possible federal and state examination.

3. Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The financial statements are prepared on the accrual basis of accounting.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Fixed Assets

Machinery and equipment are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each asset. Maintenance and repairs are charged to operations when incurred. Depreciation expenses incurred for the years ended March 31, 2020 and 2019 were \$11,693 and \$1,666, respectively.

5. Investments

The Organization reports investments at market value as of the Statements of Financial Position date. Investment income and realized and unrealized gains and losses are reported as increases or decreases in net assets absent any donor restrictions.

6. Contributed Goods and Services

Individuals have donated their time to support the Organization's program services and no amounts have been recorded for this time. Only donations of services that create or enhance non-financial assets or require specialized skills, that would otherwise typically be purchased, are recorded as expense. During the years ended March 31, 2020 and 2019, the Organization recorded contributed goods and services in the amount of \$1,039,365 and \$47,937, respectively, for donated materials, advertising, and other services. The Organization received donations of investments at fair market value during the years ended March 31, 2020 and 2019 of \$1,616 and \$1,205, respectively.

7. Concentration of Risk

The Organization has several cash accounts located in two financial institutions. Federal insurance coverage is limited to \$250,000 per customer, per bank. At March 31, 2020 and 2019, the Organization's uninsured balance was \$-0- and \$-0-, respectively.

8. Financial Statements Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statements of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statements of Activities.

In accordance with U.S. generally accepted accounting principles (U.S. GAAP) the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restriction – net assets available for general use to support operations.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Financial Statements Presentation (continued)

Net assets with donor restriction – net assets subject to donor-imposed restrictions.

There were no donor restrictions for the years ended March 31, 2020 and 2019, respectively.

9. Functional Expenses

Costs are charged to Program Services, Management and General, and Fund Raising functions based on direct expenditures incurred. Expenses not directly chargeable to these functional categories are allocated based on percentage usage and square footage. Personnel costs are allocated based on time and effort.

10. Use of Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

11. Inventory

Inventory consists of toys, other gift items, and school supplies. Purchased inventory items are stated at lower of cost or market. Donated toys and school supplies are stated at fair market value. The Organization received donations of toys and school supplies during the years ended March 31, 2020 and 2019 of \$955,805 and -0-, respectively.

12. Revenue Recognition and Recent Pronouncements

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and establishes standards for characterizing grants and similar contracts with resource providers as contributions (nonreciprocal) subject to ASC Topic 958. The adoption of ASU 2018-08 did not have an impact on the timing of the revenue recognition of the contributions.

All contributions are available for unrestricted use unless specifically restricted by the donor. Donations of property and equipment are recorded as revenue and capitalized at their estimated fair value. Such donations are reported as revenue unless the donor restricts the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. During the year ended March 31, 2020, the Organization received a donation of fixed assets valued at \$79,600 as part of the Kids in Need asset transfer.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Uncertain Tax Positions

The Organization follows FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. The guidance prescribes a recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of March 31, 2020 and 2019, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

14. Compensated Absences

Employees of the Organization are not entitled to paid vacation. The Organization, therefore, does not accrue the costs of compensated absences.

15. Advertising

Advertising is charged to expense as incurred. At March 31, 2020 and 2019, the incurred advertising expense was \$18,017 and \$27,069, respectively.

16. Reclassification

Certain reclassifications have been made to the March 31, 2019 Statement of Activities to conform to the March 31, 2020 presentation.

NOTE B – CASH AND CASH EQUIVALENTS

For the purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

	<u>2020</u>	<u>2019</u>
Cash	\$ 161,698	\$ 153,658
Money Market Accounts	<u>31,989</u>	<u>117,528</u>
Total	<u>\$ 193,687</u>	<u>\$ 271,186</u>

NOTE C – FAIR VALUE MEASUREMENTS

The Organization adopted the FASB Accounting Standards Codification for financial instruments measured at fair value on a recurring basis. The standards define the fair value, establish a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expand disclosures about fair value measurements.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE C – FAIR VALUE MEASUREMENTS (continued)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring 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 tiers are listed below.

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable.

We measured certain financial instruments at fair value on a recurring basis. Financial assets measured at fair value on a recurring basis are as follows as of March 31,

	<u>2020</u>	<u>2019</u>
Investments - Level 1	\$ 1,437,137	\$ 1,429,670
Investments - Level 2	-	-
Investments - Level 3	-	-
Total	<u>\$ 1,437,137</u>	<u>\$ 1,429,670</u>

NOTE D – INVESTMENTS

The fair value of short-term investments totaled \$1,437,137 and \$1,429,670 at March 31, 2020 and 2019, respectively.

Details of the fair market value as of March 31, 2020 and March 31, 2019 are as follows:

	<u>March 31, 2020</u> <u>Fair Market Value</u>	<u>March 31, 2019</u> <u>Fair Market Value</u>
Stocks, Options, and ETF's	\$ 931,395	\$ 928,744
Mutual Funds	<u>505,742</u>	<u>500,926</u>
Total	<u>\$ 1,437,137</u>	<u>\$ 1,429,670</u>

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE D – INVESTMENTS (continued)

The following schedule summarizes investment returns for the years ended:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Dividends - Reinvested	\$ 47,613	\$ 43,694
Dividends and Interest	59	74
Net Realized and Unrealized Gains and Losses	(180,326)	78,722
Investment Management Fees	<u>(13,191)</u>	<u>(14,479)</u>
Total Investment Return	<u>\$ (145,845)</u>	<u>\$ 108,011</u>

NOTE E – RETIREMENT PLAN

The Organization provides a 401(k) retirement plan. Under this plan, the Organization can match up to 6% of the employee's salary deferrals. The 401(k) match for the years ended March 31, 2020 and 2019 were \$8,521 and \$6,500, respectively. The Organization can make a onetime discretionary contribution based on an employee's percentage of all eligible employees' total compensation. Discretionary contributions made by the Organization for the years ended March 31, 2020 and 2019 were \$28,875 and \$14,750, respectively.

NOTE F – OPERATING LEASE – COMMITMENTS

The Organization entered a lease agreement dated July 7, 2017 with an unrelated nonprofit organization. The leased property is used to store toys and other gift items. The term of the lease was from July 15, 2017 through January 14, 2018. After January 14, 2018, the lease was on a month-to-month basis. A new lease was signed on July 1, 2019. The new lease extends the lease term from July 1, 2019 to June 30, 2020.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE F – OPERATING LEASE – COMMITMENTS (continued)

On February 11, 2020, a new lease was signed for warehouse and office space. The term of the new lease is for 120 months. Commencing May 1, 2020, monthly payments are required in the amount of \$9,542 subject to an increase of 2% per annum. Minimum annual rent expense under this lease agreement is listed below.

<u>Year Ending March 31,</u>	<u>Amount</u>
2021	\$ 95,417
2022	106,867
2023	109,004
2024	111,184
2025	123,736
thereafter	<u>668,208</u>
Total	<u>\$ 1,214,416</u>

Total rent paid during the years ended March 31, 2020 and 2019 was \$6,600 and \$6,600, respectively.

NOTE G – LIQUIDITY

As of March 31, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 193,687	\$ 271,186
Accounts Receivable	1,100	-
Investments	<u>1,437,137</u>	<u>1,429,670</u>
Total Financial Assets Available within One Year	<u>\$ 1,631,924</u>	<u>\$ 1,700,856</u>

The Organization manages its liquidity and reserves following three principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term goals will be met. The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Further, the Organization's investment portfolio consists of common stocks which are not subject to any constraints limiting the Organization's ability to respond quickly to changes in market conditions.

THE EMPTY STOCKING FUND, INC.

Notes to Financial Statements

NOTE H – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 1, 2020, the date which the financial statements were issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements as presented.

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred subsequent to year end may have an impact on the operations of the Organization. The extent of the impact to the financial performance of the Organization will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be predicted. If the financial performance of the Organization is impacted because of these things for an extended period, the Organization's financial results may be adversely affected. Final results of the relief measures are not currently known. The Organization has evaluated subsequent events through the issuance date of this report. Any significant events that have occurred through that date are included in these notes.

Management has determined that the COVID-19 pandemic has had a meaningful impact on both the revenue and expenses of the Organization. The Organization receives the majority of its financial contributions in the third quarter of its fiscal year (October – December). It is unclear at this time what impact COVID-19 will have on individual giving. Impacted programs include the Sponsor-A-Child workplace giving campaign and the JROTC community giving event. Operationally, the Organization's holiday distribution program has historically been done in person. Due to the risk of spreading COVID-19, significant unbudgeted investments in technology have been made in order to facilitate contactless distribution of holiday gifts. Further, temporary staff has been hired to make-up for the drop in volunteer numbers given health safety concerns.

The Coronavirus Aid, Relief and Economic Security Act, also known as the CARES Act, was signed into law on March 17, 2020. Among other things, the CARES Act provided for a business loan program known as the Paycheck Protection Program (PPP). The PPP provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The PPP loan and accrued interest are forgivable after a certain number of weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

In April 2020, the Organization received approximately \$54,000 in PPP loan proceeds. The Organization intends to use the proceeds for purposes consistent with the PPP and expects to meet the conditions for forgiveness of the loan.