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# **FRAMELINE, INC.**

## **FINANCIAL STATEMENTS**

**December 31, 2019**

**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2018)**

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**CROSBY & KANEDA**

Certified Public Accountants  
for Nonprofit Organizations

**FRAMELINE, INC.**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Frameline, Inc.  
San Francisco, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of Frameline, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows and functional expenses for the year 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 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 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.

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 Frameline, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Frameline, Inc.'s December 31, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Croody & Lameda CPAs LLP*

Oakland, California

July 12, 2020

FRAMELINE, INC.

Statement of Financial Position  
December 31, 2019  
(With Comparative Totals as of December 31, 2018)

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 111,993	\$ 116,729
Accounts receivable, net (Note 3)	570,704	175,565
Prepaid expenses	32,307	47,265
Property and equipment, net (Note 5)	21,369	27,045
Interest in LLC (Note 4)	364,170	391,241
	<u>364,170</u>	<u>391,241</u>
Total Assets	<u>\$ 1,100,543</u>	<u>\$ 757,845</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 49,357	\$ 39,683
Vacation accrual	18,141	16,606
Line of credit (Note 6)	73,942	104,693
Grants payable	29,996	25,000
Deferred revenue	54,694	48,449
Total Liabilities	<u>226,130</u>	<u>234,431</u>
Net Assets		
Without donor restrictions	435,913	420,914
With donor restrictions (Note 9)	438,500	102,500
Total Net Assets	<u>874,413</u>	<u>523,414</u>
Total Liabilities and Net Assets	<u>\$ 1,100,543</u>	<u>\$ 757,845</u>

See Notes to the Financial Statements

**FRAMELINE, INC.**

**Statement of Activities  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
<b>Support and Revenue</b>				
Contributions	\$ 210,559	\$ 400,000	\$ 610,559	\$ 137,877
Memberships (Note 11)	496,245		496,245	496,700
Sponsorships	459,900		459,900	389,167
Ticket sales	372,137		372,137	354,744
Distribution revenue	167,354		167,354	131,397
Foundation and community grants	110,303	5,000	115,303	211,222
Government grants	140,644		140,644	112,688
Entry fees and other	22,866		22,866	28,989
In-kind contributions (Note 10)	451,539		451,539	462,202
Support provided by expiring time and purpose restrictions	69,000	(69,000)	-	-
<b>Total Support and Revenue</b>	<b>2,500,547</b>	<b>336,000</b>	<b>2,836,547</b>	<b>2,324,986</b>
<b>Expenses</b>				
Program				
Festival and exhibition	1,608,376		1,608,376	1,482,722
Distribution and education	317,164		317,164	301,128
Filmmaker support	83,415		83,415	86,211
<b>Total Program</b>	<b>2,008,955</b>	<b>-</b>	<b>2,008,955</b>	<b>1,870,061</b>
Management and general	273,044		273,044	219,366
Fundraising	176,478		176,478	217,818
<b>Total Expenses</b>	<b>2,458,477</b>	<b>-</b>	<b>2,458,477</b>	<b>2,307,245</b>
Change in Net Assets, before investment activity	42,070	336,000	378,070	17,741
Loss on investment in LLC	(27,071)		(27,071)	(12,795)
Change in Net Assets	14,999	336,000	350,999	4,946
Net Assets, beginning of year	420,914	102,500	523,414	518,468
Net Assets, end of year	<u>\$ 435,913</u>	<u>\$ 438,500</u>	<u>\$ 874,413</u>	<u>\$ 523,414</u>

See Notes to the Financial Statements

**FRAMELINE, INC.**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019	2018
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 350,999	\$ 4,946
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Loss on investment in LLC	27,071	12,795
Depreciation	10,638	11,373
Loss on disposition	1,369	-
Changes in assets and liabilities:		
Accounts receivable	(395,139)	(4,666)
Prepaid expenses	14,958	(21,190)
Accounts payable and accrued expenses	9,674	(20,084)
Vacation accrual	1,535	1,770
Grants payable	4,996	-
Deferred revenue	6,245	(20,559)
Net cash provided (used) by operating activities	32,346	(35,615)
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(6,331)	(1,699)
Net cash provided (used) by investing activities	(6,331)	(1,699)
<b>Cash flows from financing activities:</b>		
Repayments on capital lease	-	(1,825)
Net borrowings and repayments on line of credit	(30,751)	69,765
Net cash provided (used) by financing activities	(30,751)	67,940
Net change in cash and cash equivalents	(4,736)	30,626
Cash and cash equivalents, beginning of year	116,729	86,103
Cash and cash equivalents, end of year	\$ 111,993	\$ 116,729
Supplemental information:		
Interest paid	\$ 3,353	\$ 3,449

See Notes to the Financial Statements

**FRAMELINE, INC.**

**Statement of Functional Expenses  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

	Program	Management and General	Fundraising	Total	
				2019	2018
Salaries	\$ 576,518	\$ 52,407	\$ 82,635	\$ 711,560	\$ 760,542
Employee benefits	62,788	6,358	10,332	79,478	77,317
Payroll taxes	50,367	5,101	8,288	63,756	66,184
<b>Total Personnel</b>	<b>689,673</b>	<b>63,866</b>	<b>101,255</b>	<b>854,794</b>	<b>904,043</b>
Grants	44,374	-	-	44,374	37,420
Legal fees	12,240	2,833	-	15,073	12,240
Accounting fees	-	58,050	-	58,050	38,016
Other professional services	400,789	16,646	27,392	444,827	424,865
Advertising and promotion	151,887	1,473	79	153,439	39,650
Supplies and office expenses	116,706	17,728	15,826	150,260	146,530
Equipment rental and maintenance	22,131	803	492	23,426	21,417
Information technology	34,780	43,008	5,485	83,273	80,225
Royalties	95,628	-	-	95,628	38,022
Occupancy	261,528	13,604	13,581	288,713	332,787
Travel and meals	117,265	8,874	2,494	128,633	129,352
Interest	67	3,275	11	3,353	3,449
Depreciation	9,743	895	-	10,638	11,373
Insurance	9,212	5,609	1,516	16,337	18,977
Film rental and lab cost	23,409	-	-	23,409	26,938
Bad debt	11,834	20,492	8,113	40,439	19,054
Service fees and other expense	7,689	15,888	234	23,811	22,887
<b>Total Expenses</b>	<b>\$ 2,008,955</b>	<b>\$ 273,044</b>	<b>\$ 176,478</b>	<b>\$ 2,458,477</b>	<b>\$ 2,307,245</b>

See Notes to the Financial Statements

## FRAMELINE, INC.

### Notes to the Financial Statements For the Year Ended December 31, 2019 (With Comparative Totals for the Year Ended December 31, 2018)

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#### NOTE 1: NATURE OF ACTIVITIES

The mission of Frameline, Inc. (the Organization) is to change the world through the power of queer cinema. As a media arts nonprofit with 1,800 (nonvoting) members, the Organization's programs connect filmmakers and audiences in the Bay Area and around the world. Founded in 1977, the *San Francisco International LGBTQ Film Festival* is the longest-running, largest, and most widely-recognized LGBTQ film exhibition event in the world exhibiting over 140 films in San Francisco, Oakland, and Berkeley to over 60,000 attendees (inclusive of multi-use admissions). Established in 1981, *Frameline Distribution* is the only nonprofit distributor solely catering to LGBTQ film. In 2008, the Organization launched *Youth in Motion*, a program providing free LGBTQ-themed films and curriculum resources to Gay-Straight Alliances nationwide. In 2011, the Organization launched *Frameline Voices*, an online showcase of diverse LGBTQ stores with an emphasis on films by and about people of color, transgender people, youth, and elders. Since 1990, more than 140 films and videos have been completed with assistance from the *Frameline Completion Fund*. The Organization also presents year-round film exhibitions, including *Frameline Encore*, a free film series in San Francisco and Oakland highlighting diverse, socially relevant works.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; there were no restrictions of this nature as of December 31, 2019.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions

**FRAMELINE, INC.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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to net assets without donor imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

**Classification of Transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

**Accounting for Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

**Ticket Sales**

Ticket sales consist primarily of admissions and passes for the Organization's annual film festival. The Organization recognizes ticket sale revenue in the period in which the related film festival activity occurs. Its current policy is to open registration for the annual film festival in the same year as the related festival activity, and so it does not generally hold funds at fiscal year-end for future festivals.

**Distribution Revenue**

Distribution revenue consists primarily of film sales, rentals, and streaming. The Organization recognizes distribution revenue in the period in which the sale, rental or streaming service occurs.

**Sponsorships**

The Organization receives sponsorships in support of its annual film festival. The Organization may acknowledge qualified sponsorship payments by displaying sponsor logos or tag lines that do not contain qualitative or comparative descriptions of products or services, may list sponsors locations, website or contact information and may include value neutral displays or visual descriptions of products or services. Minor exchange elements may be connected with sponsorships such as access to an event. The Organization has evaluated such exchange elements and determined they are not material for separate presentation.

**FRAMELINE, INC.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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**Accounts Receivable**

Accounts receivable are primarily unsecured non-interest bearing amounts due from distribution contracts, pledges, sponsorships and memberships. The Organization recognizes accounts receivable on the allowance basis and reviews the adequacy of its allowance annually. Accounts receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition.

**Loan Receivable**

Loans receivable are recorded at the amortized amount due. Interest income on the notes receivable is recorded when payments on the notes are received. There are no related fees associated with the loan receivable. Based on management's assessment of the loan receivable there was no allowance for potentially uncollectible amounts as of December 31, 2019.

**Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2019 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

**Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

**Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

FRAMELINE, INC.

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on December 31, 2019.

**Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

**Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Personal computers	3 years
Furniture and equipment	5 years
Website	5 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

**Deferred Revenue**

The Organization recognizes the exchange portion of membership revenue on a straight-line basis over the term of the membership. The unearned portion of membership proceeds is included in deferred revenue as of December 31, 2019.

**Expense Recognition and Allocation**

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

FRAMELINE, INC.

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.

Occupancy, depreciation, and amortization, supplies and office expenses, insurance, and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

**Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

**Reclassifications**

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**NOTE 3: ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$ 592,204	\$ 194,565
Less: Allowance for doubtful accounts	<u>(21,500)</u>	<u>(19,000)</u>
Total	<u>\$ 570,704</u>	<u>\$ 175,565</u>

Accounts receivable were due as follows as of December 31

Due within 1 year	\$ 160,314	\$ 142,642
Due between 1 and 5 years	<u>410,390</u>	<u>32,923</u>
Total	<u>\$ 570,704</u>	<u>\$ 175,565</u>

**NOTE 4: INTEREST IN LLC**

The Organization has an interest in 145 Ninth Street LLC (the LLC), a California limited liability company consisting of the following as of December 31:

Investment in LLC (25% share)	\$ 104,920	\$ 131,991
Loan receivable from LLC	<u>259,250</u>	<u>259,250</u>
Total	<u>\$ 364,170</u>	<u>\$ 391,241</u>

**FRAMELINE, INC.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

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The LLC owns land and a building in San Francisco. The Organization's investment in the LLC is accounted for using the equity method. In exchange for its loan to the LLC the Organization receives reductions in its rent payments equivalent to the LLC's reduction in mortgage payments. During the year ended December 31, 2019, these reductions totaled \$11,212, which were not material to the Organization's financial statements. The Organization reflects these reductions with its occupancy expense

**Loan Guarantee**

The Organization is a guarantor of 35% of the mortgage obligations held by the LLC. The total remaining balances of the two notes were \$2,450,634 and \$2,500,876 and the Organization's share of the guarantee was \$857,722 and \$875,307 as of December 31, 2019 and 2018, respectively.

**NOTE 5: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Property and equipment	\$ 50,026	\$ 113,111
Less: accumulated depreciation	<u>(28,657)</u>	<u>(86,066)</u>
Total	<u>\$ 21,369</u>	<u>\$ 27,045</u>

**NOTE 6: LINE OF CREDIT**

The Organization has a secured line of credit with a bank for a total of \$125,000 to be drawn down upon as needed, with an interest rate at 7.00%. As of December 31, 2019 and 2018, there was an outstanding balance of \$73,942 and \$104,693, respectively.

**NOTE 7: COMMITMENTS**

**Operating Leases**

The Organization leases a copier and postage meter under non-cancelable leases that expire on various dates through October 2020. Future minimum lease payments totaled \$3,734 for the year ended December 31, 2020.

**NOTE 8: CONTINGENCIES**

**Grant Awards and Government Funding**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

FRAMELINE, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)

**NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Organizational effectiveness	\$ 36,000	\$ 50,000
Festival	-	30,000
GayUSA	2,500	2,500
Time restricted	<u>400,000</u>	<u>20,000</u>
Total	<u>\$ 438,500</u>	<u>\$ 102,500</u>

**NOTE 10: IN-KIND CONTRIBUTIONS**

The Organization received the benefit of the following in-kind support during the years ended December 31:

	<u>2019</u>	<u>2018</u>
Professional services	\$ 113,852	\$ 123,390
Film rentals	9,000	12,000
Facility and space rentals	35,863	99,395
Advertising	143,399	30,547
Hotel nights and travel	45,000	75,000
Catering and hospitality	90,273	106,123
Supplies and other	<u>14,152</u>	<u>15,747</u>
Total	<u>\$ 451,539</u>	<u>\$ 462,202</u>

**NOTE 11: MEMBERSHIPS**

The Organization receives membership payments that contain both contributive and exchange elements. The Organization defers a portion of the exchange element which will be recognized in the subsequent year. Membership revenue consisted of the following during the years ended December 31:

	<u>2019</u>	<u>2018</u>
Contributive portion	\$ 441,406	\$ 393,322
Exchange portion	<u>54,839</u>	<u>103,378</u>
Total	<u>\$ 496,245</u>	<u>\$ 496,700</u>

**NOTE 12: RELATED PARTY ACTIVITY**

The Organization and two other organizations are supported by the Ninth Street Media Consortium, Inc., (the Consortium), a tax-exempt corporation. The Board of Directors of the Consortium consists of representatives from all three organizations and the Consortium's exempt purpose is the support of these organizations.

The Consortium leases the building the Organization uses from the LLC and subleases it to the Organization, other member organizations and other tenants. During the years ended December 31, 2019 and 2018 net rent, utilities, and common area maintenance fees paid to the Consortium totaled \$109,992 and \$152,886, respectively.

FRAMELINE, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)

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**NOTE 13: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ 111,993
Accounts receivable, net	570,704
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets	(38,500)
Less financial assets not available within one year:	
Accounts receivable	<u>(410,390)</u>
Amount available for general expenditures within one year	<u>\$ 233,807</u>

As part of the Organization's liquidity management plan, the Organization maintains funds in excess of daily requirements in cash. The Organization maintains a revolving line of credit of \$125,000 to cover short-term cash needs.

**NOTE 14: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and has concluded that as of July 12, 2020, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose other than the information noted below:

**Public Health Order – Coronavirus**

The Organization operates in an area which was affected by the COVID-19 coronavirus and in March 2020 the area was subject to a public health order which affected activities of the Organization.