



CAHILL

& ASSOCIATES, PC

CERTIFIED PUBLIC ACCOUNTANTS

PROVIDENCE NETWORK

FINANCIAL STATEMENTS

March 31, 2020 and 2019

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CAHILL

& ASSOCIATES, PC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Providence Network
Denver, Colorado

We have audited the accompanying financial statements of Providence Network (a nonprofit corporation), 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 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

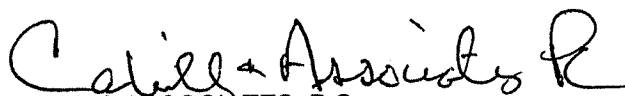
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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.

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 Providence Network as of March 31, 2020 and 2019, and the change 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.



CAHILL & ASSOCIATES, P.C.
Boulder, Colorado
June 19, 2020

PROVIDENCE NETWORK
Statements of Financial Position
March 31, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 110,584	\$ 87,405
Prepaid Expenses	32,748	36,098
Flex Spending Deposits	4,000	4,000
Accounts Receivable	1,930	1,517
Pledges Receivable, Current, Net of Allowance for Doubtful Accounts of \$2,740 and \$4,268 for 2020 and 2019, respectively	42,917	68,293
Total Current Assets	<u>192,179</u>	<u>197,313</u>
PROPERTY AND EQUIPMENT		
Land	3,209,710	3,209,710
Buildings	5,641,575	5,641,575
Building Improvements	2,149,459	1,941,493
Furniture and Equipment	254,100	233,627
Automobiles	26,324	50,839
	<u>11,281,168</u>	<u>11,077,244</u>
Less: Accumulated Depreciation	<u>(1,740,790)</u>	<u>(1,541,700)</u>
Total Property and Equipment	<u>9,540,378</u>	<u>9,535,544</u>
OTHER ASSETS		
Pledges Receivable, Long Term, Net of Allowance for Doubtful Accounts of \$0 and \$1,154 for 2020 and 2019, respectively	-	7,607
Loan Fees	16,132	16,132
Accumulated Amortization	<u>(1,257)</u>	<u>(718)</u>
Total Other Assets	<u>14,875</u>	<u>23,021</u>
TOTAL ASSETS	<u>\$ 9,747,432</u>	<u>\$ 9,755,878</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 80,041	\$ 122,688
Credit Cards Payable	29,982	29,710
Accrued Interest	31,888	31,766
Security Deposits	23,240	13,861
Deferred Revenue	10,123	4,154
Lines Of Credit	<u>1,726,711</u>	<u>1,405,000</u>
Total Current Liabilities	<u>1,901,985</u>	<u>1,607,179</u>
Note Payable	1,500,000	1,500,000
Total Liabilities	<u>3,401,985</u>	<u>3,107,179</u>
NET ASSETS		
Without Donor Restrictions	6,298,428	6,588,307
With Donor Restrictions	47,019	60,392
Total Net Assets	<u>6,345,447</u>	<u>6,648,699</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,747,432</u>	<u>\$ 9,755,878</u>

See Accompanying Notes to Financial Statements

PROVIDENCE NETWORK
Statement of Activities
For the Year Ended March 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Temporary Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions			
Individuals	\$ 530,519	\$ 15,329	\$ 545,848
Corporations	256,243	10,000	266,243
Church and Faith Based	30,335	5,000	35,335
Foundation Grants	177,614	14,000	191,614
In-Kind Support	184,654	-	184,654
Earned Income			
Resident Program Fees	452,623	-	452,623
Investment Income	148	-	148
Other Income	13,553	-	13,553
Net Assets Released from Restrictions			
Due to Satisfaction of Restrictions	57,702	(57,702)	-
Total Support and Revenue	1,703,391	(13,373)	1,690,018
EXPENSES			
Program Services	1,672,380	-	1,672,380
Administration	99,216	-	99,216
Fundraising	221,674	-	221,674
Total Expenses	1,993,270	-	1,993,270
CHANGE IN NET ASSETS	(289,879)	(13,373)	(303,252)
NET ASSETS, Beginning of Year	6,588,307	60,392	6,648,699
NET ASSETS, End of Year	\$ 6,298,428	\$ 47,019	\$ 6,345,447

See Accompanying Notes to Financial Statements

PROVIDENCE NETWORK
Statement of Activities
For the Year Ended March 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Temporary Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions			
Individuals	\$ 369,124	\$ 51,566	\$ 420,690
Corporations	9,635	-	9,635
Church and Faith Based	39,225	14,080	53,305
Foundation Grants	209,760	265,000	474,760
In-Kind Support	444,322	-	444,322
Special Events	157,660	-	157,660
Earned Income			
Resident Program Fees	379,608	-	379,608
Investment Income	166	-	166
Other Income	59,873	-	59,873
Net Assets Released from Restrictions			
Due to Satisfaction of Restrictions	348,581	(348,581)	-
Total Support and Revenue	<u>2,017,954</u>	<u>(17,935)</u>	<u>2,000,019</u>
EXPENSES			
Program Services	1,602,389	-	1,602,389
Administration	114,444	-	114,444
Fundraising	248,325	-	248,325
Total Expenses	<u>1,965,158</u>	<u>-</u>	<u>1,965,158</u>
CHANGE IN NET ASSETS	<u>52,796</u>	<u>(17,935)</u>	<u>34,861</u>
NET ASSETS, Beginning of Year	<u>6,535,511</u>	<u>78,327</u>	<u>6,613,838</u>
NET ASSETS, End of Year	<u>\$ 6,588,307</u>	<u>\$ 60,392</u>	<u>\$ 6,648,699</u>

See Accompanying Notes to Financial Statements

PROVIDENCE NETWORK
Statement of Functional Revenues and Expenses
For the Year Ended March 31, 2020

	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>TOTAL</u>
SUPPORT AND REVENUE				
Contributions				
Individuals	\$ 141,982	\$ -	\$ 403,866	\$ 545,848
Corporations	101,463	-	164,780	266,243
Church and Faith Based	1,538	-	33,797	35,335
Foundation Grants	89,680	-	101,934	191,614
In-Kind Support	183,305	1,349	-	184,654
Special Events	-	-	-	-
Earned Income				
Resident Program Fees	452,623	-	-	452,623
Investment Earnings	-	148	-	148
Other Income	10,822	3,669	(938)	13,553
Total Support and Revenue	981,413	5,166	703,439	1,690,018
EXPENSES				
Salaries & Wages	600,044	66,753	133,484	800,281
Payroll Taxes	48,205	4,597	9,955	62,757
Benefits	144,247	16,789	21,586	182,622
Meetings & Conferences	2,836	1,391	994	5,221
Staff Development	12,932	4,205	564	17,701
Equine Assisted Therapy	1,617	-	-	1,617
Food & Meals	31,835	-	-	31,835
Employment Services	240	-	-	240
Automobile Expenses	10,321	245	753	11,319
Resident Drug Testing	8,613	-	-	8,613
Resident Assistance	6,377	-	-	6,377
Program Events	11,587	-	-	11,587
Supplies	29,936	3,374	1,522	34,832
Professional Fees	10,662	23,473	28,427	62,562
Occupancy	177,261	10	-	177,271
Telephone/Internet/Cable	24,353	2,078	1,263	27,694
Postage	55	55	878	988
Printing	428	-	1,123	1,551
Dues & Subscriptions	4,378	1,960	40	6,378
Donor Development	-	-	1,458	1,458
Liability Insurance	59,736	2,580	121	62,437
Bank and Credit Card Fees	16,931	1,635	10,527	29,093
Interest Expense	92,736	37,563	-	130,299
Depreciation & Amortization	223,799	-	-	223,799
In-Kind Expenses	93,389	1,349	-	94,738
Administration Allocations	59,862	(68,841)	8,979	-
Total Expenses	1,672,380	99,216	221,674	1,993,270
CHANGE IN NET ASSETS	\$ (690,967)	\$ (94,050)	\$ 481,765	\$ (303,252)

See Accompanying Notes to Financial Statements

PROVIDENCE NETWORK
Statement of Functional Revenues and Expenses
For the Year Ended March 31, 2019

	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>TOTAL</u>
SUPPORT AND REVENUE				
Contributions				
Individuals	\$ 192,795	\$ -	\$ 227,894	\$ 420,689
Corporations	5,490	240	3,905	9,635
Church and Faith Based	18,755	-	34,549	53,304
Foundation Grants	297,537	-	177,223	474,760
In-Kind Support	439,708	-	4,614	444,322
Special Events	28,192	-	129,468	157,660
Earned Income				
Resident Program Fees	379,610	-	-	379,610
Investment Earnings	-	166	-	166
Other Income	56,254	3,575	44	59,873
Total Support and Revenue	1,418,341	3,981	577,697	2,000,019
EXPENSES				
Salaries & Wages	584,607	62,910	133,286	780,803
Payroll Taxes	46,788	4,484	10,071	61,343
Benefits	163,247	28,279	24,532	216,058
Meetings & Conferences	2,038	2,246	1,064	5,348
Travel				-
Staff Development	17,982	5,568	1,014	24,564
Food & Meals	27,758			27,758
Automobile Expenses	10,542	235	652	11,429
Resident Drug Testing	8,751			8,751
Resident Assistance	5,451	-		5,451
Program Events	8,107		100	8,207
Youth Services	1,641	-		1,641
Supplies	35,713	4,927	569	41,209
Professional Fees	6,420	23,461	6,634	36,515
Occupancy	166,212	35	-	166,247
Telephone/Internet/Cable	22,646	2,544	1,171	26,361
Postage	125	205	847	1,177
Printing	384	19	3,536	3,939
Dues & Subscriptions	2,542	1,945	335	4,822
Donor Development			1,770	1,770
Special Event Expenses	713	-	42,725	43,438
Liability Insurance	55,666	2,548	236	58,450
Bank and Credit Card Fees	6,041	918	9,836	16,795
Charitable Donations	100			100
Interest Expense	86,673	12,679		99,352
Depreciation & Amortization	197,228			197,228
In-Kind Expenses	111,784	4	4,614	116,402
Administration Allocations	33,230	(38,563)	5,333	-
Total Expenses	1,602,389	114,444	248,325	1,965,158
CHANGE IN NET ASSETS	\$ (184,048)	\$ (110,463)	\$ 329,372	\$ 34,861

See Accompanying Notes to Financial Statements

PROVIDENCE NETWORK
Statements of Cash Flows
Years Ended March 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Support and Revenue Received	\$ 1,722,588	\$ 1,632,283
Salaries and Operating Expenses Paid	<u>(1,882,942)</u>	<u>(1,730,389)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(160,354)</u>	<u>(98,106)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(138,178)	(2,076,896)
Investment in Silver Lining House	-	-
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(138,178)</u>	<u>(2,076,896)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of Line of Credit	321,711	555,000
Loan Fees Paid	-	(16,132)
Proceeds (Payments) of Long Term Debt	-	1,500,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>321,711</u>	<u>2,038,868</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,179	(136,134)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>87,405</u>	<u>223,539</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 110,584</u></u>	<u><u>\$ 87,405</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ (303,252)</u>	<u>\$ 34,861</u>
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	223,799	197,228
Donated Equipment and Improvements	(89,916)	(327,920)
Changes in Operating Assets and Liabilities:		
Decrease in Accounts Receivable	(413)	1,808
(Increase) Decrease in Pledges Receivable	32,983	(41,624)
(Increase) Decrease in Prepaid Expenses	3,350	(14,464)
Increase in Payables and Accrued Expenses	<u>(26,905)</u>	<u>52,005</u>
Total Adjustments	<u>142,898</u>	<u>(132,967)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (160,354)</u></u>	<u><u>\$ (98,106)</u></u>
Other Information:		
Interest Paid	\$ 98,411	\$ 67,586
Non-Cash Revenue and Expenses		
In Kind Contributions	184,654	444,322
In Kind Expenses	(94,738)	(116,402)
In Kind Capitalized	(89,916)	(327,920)

See Accompanying Notes to Financial Statements

PROVIDENCE NETWORK
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activities

Providence Network, a non-profit Organization, was incorporated in Colorado in 1987 under the name The Executive Network. The Organization changed its name to Providence Network in 1999.

The Organization operates six transformational housing properties in Denver, Colorado. This includes three Level 1 "FirstStep" transitional homes and three Level 2 "NextStep" communities. Supportive services are provided to individuals and families in transition who are recovering from addictions, domestic violence and/or homelessness. The FirstStep program provides subsidized housing, food, counseling, support groups, life skills development, employment training, and healthy social activities. The NextStep communities offer affordable rents in a healthy, sober living environment with access to supportive services as needed.

The Organization receives 26.78% of its revenues from program fees and rent paid by the residents. The remaining is split 72.35% from private contributions and grants and .87% from interest and miscellaneous revenue.

Financial Statement Presentation

The Organization reports net assets according to the following classes of net assets:

Net Assets Without Donor Restrictions – Net Assets available for operations. This category includes net assets which have been designated by the board of directors and restricted gifts whose donor-imposed restrictions were met during the year.

Net Assets With Donor Restrictions – Net Assets available only for specific purposes or time frames. These assets consist of two types of Net Assets:

Temporarily Restricted Net Assets - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Organization pursuant to those stipulations. Examples include contributions received for capital campaigns and contributions restricted by donors for use in specific fiscal years.

Permanently Restricted Net Assets - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of March 31, 2020 and 2019, the Organization has no permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all liquid investments with maturities of three months or less to be cash equivalents.

Investments

Donated marketable securities are cashed upon receipt and recorded as contributions at their estimated fair values at the date of donation.

Property and Equipment

Property and equipment are stated at cost if purchased and at fair value if donated. Property and equipment are depreciated over the estimated useful lives of the assets which range from five to forty years using the straight line method of depreciation. The Organization capitalizes property and equipment additions greater than or equal to \$1,000.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated services are reported in the financial statements at fair value when the services create non-financial assets or would be purchased if they require specialized skills and are provided by individuals possessing those skills.

Revenue Recognition

In the absence of donor restrictions, contributions, pledges and grants are considered to be available for unrestricted use. Income is recognized in the period when the contribution, pledge, grant, or unconditional promise to give is received.

The Organization reports contributions of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. If explicit donor stipulations are absent about how long those long-lived assets must be put to specific use, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Special purpose donations are accounted for as an increase in temporarily restricted net assets and are to be only used for the purpose, or the time frame, specifically designed by the donor. When a purpose restriction is accomplished or a time restriction has lapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are shown as unrestricted contributions.

Functional Allocation of Expenses

Expenses are charged directly to program services and fundraising based on the character of the costs. Payroll and related payroll costs are allocated based on evaluation of time utilized. General and Administrative Expense include costs that are not directly identifiable with a specific program function and provide for the overall support and direction of the Organization.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Exemption

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Contributions made to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(a). The Organization is not classified as a private foundation by the Internal Revenue Service.

Property Tax Exemption

In 1994, the Organization was granted exemption from property taxation of its transformational housing properties, as property owned and used solely and exclusively for charitable purposes. The exemption is renewed on a yearly basis.

Pledges Receivable

The Organization records all pledges that are expected to be collected in future years. Periodically the Organization reviews the balance of pledges and contributions outstanding and reserves for amounts estimated to be uncollectible. Pledges on which the donors are behind in their scheduled payments are considered past due and are examined for collectability.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK AND REVENUE CONCENTRATIONS

Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash held at a financial institution. The Organization's bank accounts held at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization also has an Insured Cash Sweep account which funds in excess of \$250,000 per account are transferred into. This is to ensure that no account exceeds the \$250,000 FDIC limits.

Revenue Concentrations

The Organization's ten largest donations accounted for approximately 48% and 42% of total contributions for the years ended March 31, 2020 and 2019, respectively. If these donations were to be modified, reduced, or eliminated, the Organization's finances could be adversely affected.

NOTE 3 - PLEDGES RECEIVABLE

A summary of multi-year pledges receivable as of March 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 45,657	\$ 72,561
One to five years	-	8,761
	<u>45,657</u>	<u>81,322</u>
Less: Allowance for Doubtful Accounts	<u>(2,740)</u>	<u>(5,422)</u>
	<u>\$ 42,917</u>	<u>\$ 75,900</u>

Pledges committed for less than one year are reflected as "Current Assets" and those committed for more than one year are reflected as "Other Assets" on the Statement of Financial Position.

The Financial Accounting Standards Board (FASB) statement 116, "Accounting for Contributions Received and Contributions Made" specifies that unconditional promises to give should be recorded in the financial statements at the time of the promise. Management calculates an allowance for doubtful accounts, associated with future collections of these contributions, based on historical collection results. Unfortunately, sometimes for reasons uncontrollable by Management, donors are unable to fulfill these promises. These unfulfilled contributions are estimated and reflected on the Statement of Functional Revenues and Expenses as uncollectible pledges.

NOTE 4 - STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM EVENTS EXPENSES

Providence Network sponsors three to four community events per year with residents, staff, and individuals from the community. These events are designed to develop positive social skills for residents and build relationships within the community. Therefore, the cost of these events is allocated to program expenses.

NOTE 5 - IN-KIND GOODS, SERVICES, AND USE OF FACILITIES

Donated goods and services were recognized in the accompanying financial statements as follows:

	<u>2020</u>	<u>2019</u>
Champa House Building	\$ -	\$ 250,000
Equipment and Improvements	89,915	77,920
Counseling Services	54,985	74,160
Food for program residents	16,319	21,025
Professional Fees	8,175	7,800
Supplies and Apartment Furnishings	15,260	13,417
	<u>\$ 184,654</u>	<u>\$ 444,322</u>

NOTE 6 - PROGRAM FEE INCOME

As discussed in Note 1, the Organization operates six transformational housing properties in Denver, Colorado. Program Income includes program fees from Level 1 residents and rental income from Level 2 tenants. Program fees and rent are charged based on affordability rates. This income received was \$452,623 and \$379,608 for the years ended March 31, 2020 and 2019, respectively.

NOTE 7 - OTHER INCOME

Other income amounted to \$13,553 and \$59,873 for the years ended March 31, 2020 and 2019 respectively. This account includes such items as refunds from insurance claim receipts, laundry and vending income, and Visa cash back rebates.

NOTE 8 - LINES OF CREDIT

The Organization has two lines of credit, one for \$1,550,000 and one for \$2,200,000. The terms are the same but the properties used for collateral are different. The terms are as follows:

In February of 2020, the Organization renewed a line of credit with a bank in the amount of \$1,550,000. The agreement requires interest only payments based on the Wall Street Journal Prime Rate plus .75 percent with a floor rate of 5.0%. The maturity date of this line is February 10, 2022 with any outstanding principal and interest due on this date. The line of credit is collateralized with a first deed of trust on real estate located at 1201 E. 16th Ave. Denver, CO 80218. The balance outstanding on March 31, 2020 was \$0.

In February of 2020, the Organization renewed an additional line of credit with a bank in the amount of \$2,200,000. The agreement requires interest only payments based on the Wall Street Journal Prime Rate plus .75 percent with a floor rate of 5.0%. The maturity date of this line is February 10, 2022 with any outstanding principal and interest due on this date. The line of credit is collateralized with a first deed of trust on real estate located at 2330 Washington Street, Denver, CO 80205. The balance outstanding on March 31, 2020 was \$1,726,711 with accrued interest of \$7,724.

NOTE 9 – NOTE PAYABLE

On June 25, 2018 Providence Network issued a note payable in the amount of \$1,500,000 to a donor and used the funds to purchase the Champa House property. The loan is interest only and has a rate of 2.1%. Annual interest payments are due on June 25th of each year. The principal balance is due and payable on June 25, 2020. The note has a balance of \$1,500,000 at March 31, 2020 and accrued interest of \$24,164. This note was transferred to an available line of credit in June of 2020.

NOTE 10 - EMPLOYEE BENEFIT PLAN

The Organization adopted a 403(b) employee retirement plan effective October 1, 2002 that is available to all eligible employees on the first of the month following 60 days of service. Employees may elect to defer up to the maximum legal limit of compensation. Employer contributions are discretionary as determined at the beginning of each fiscal year, may adjust throughout the year, and vest immediately. Employer contributions amounted to \$46,751 and \$44,076 for years ended March 31, 2020 and 2019, respectively.

NOTE 11 – ASSETS WITH DONOR RESTRICTIONS

Assets with restrictions as to specific time frames or purposes are considered temporarily restricted net assets and consist of amounts designated by the donors for the following specified services:

	<u>2020</u>	<u>2019</u>
Joy House	\$ 1,550	\$ 6,550
Joy House Graduate Scholarship	15,107	18,967
Silver Lining House	244	10,777
Champa House	10,000	-
Victory House	6,500	-
Salary Specific Fund	550	550
Educational Fund	4,307	4,307
Multi-Year Pledges	8,761	19,241
	<u>\$ 47,019</u>	<u>\$ 60,392</u>

NOTE 12 - SUBSEQUENT EVENTS

As mentioned in Note 9, the note payable of \$1,500,000 was transferred to an available line of credit along with the accrued interest in June of 2020. Management has evaluated all other subsequent events through June 30, 2020 which is the date the financial statements were available to be issued.