Cancer Support Community Los Angeles

Financial Statements and Independent Auditor's Report

December 31, 2019

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Cancer Support Community Los Angeles

Index

Independent Auditor's Report

To the Board of Directors
Cancer Support Community Los Angeles

We have audited the accompanying financial statements of Cancer Support Community Los Angeles, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows 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.

Auditor's 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 2019 financial statements referred to above present fairly, in all material respects, the financial position of Cancer Support Community Los Angeles 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

The summarized comparative information of Cancer Support Community Los Angeles as of December 31, 2018 and for the year then ended was audited by other auditors whose report dated October 29, 2019 expressed an unmodified opinion on those statements.

CohnReznick LLP

Los Angeles, California
December 14, 2020

Cancer Support Community Los Angeles

Statement of Financial Position
December 31, 2019
With Summarized Totals at December 31, 2018

	2019			2018
	Without donor restrictions	With donor restrictions	Total	Total
Assets				
Cash	$ 132,132	$ -	$ 132,132	$ 201,466
Accounts receivable	15,237	-	15,237	-
Pledges receivable	10,275	-	10,275	14,505
Prepaid expenses and other assets	43,029	-	43,029	43,059
Investments	2,454,683	2,745,000	5,199,683	4,413,777
Property and equipment	207,819	-	207,819	166,040
Artwork	100,543	-	100,543	100,543
Total assets	$ 2,963,718	$ 2,745,000	$ 5,708,718	$ 4,939,390
Liabilities and net assets				
Accounts payable	$ 14,523	$ -	$ 14,523	$ 5,218
Accrued liabilities	89,245	-	89,245	63,901
Deferred rent	74,821	-	74,821	150,029
Line of credit	655,000	-	655,000	-
Capital lease obligations	118,882	-	118,882	-
Total liabilities	952,471	-	952,471	219,148
Net assets				
Without donor restrictions	2,011,247	-	2,011,247	2,156,664
With donor restrictions	-	2,745,000	2,745,000	2,563,578
Total net assets	2,011,247	2,745,000	4,756,247	4,720,242
Total liabilities and net assets	$ 2,963,718	$ 2,745,000	$ 5,708,718	$ 4,939,390

See Notes to Financial Statements.

Cancer Support Community Los Angeles

Statement of Activities
Year Ended December 31, 2019
With Summarized Totals for the Year Ended December 31, 2018

	2019			2018
	Without donor restrictions	With donor restrictions	Total	Total
Support and revenues				
Contributions and foundation grants	$ 609,542	$ -	$ 609,542	$ 313,635
In-kind contributions	2,500	-	2,500	28,070
Special events, net of expenses of $155,033	157,196	-	157,196	178,215
Investment income (loss)	326,278	456,532	782,810	(291,714)
Net assets released from restrictions	275,110	(275,110)	-	-
Total support and revenues	1,370,626	181,422	1,552,048	228,206
Expenses				
Programs services	1,234,618	-	1,234,618	1,169,053
General and administrative	105,292	-	105,292	93,386
Fundraising	176,133	-	176,133	181,785
Total expenses	1,516,043	-	1,516,043	1,444,224
Change in net assets	(145,417)	181,422	36,005	(1,216,018)
Net assets, beginning	2,156,664	2,563,578	4,720,242	5,936,260
Net assets, end	$ 2,011,247	$ 2,745,000	$ 4,756,247	$ 4,720,242

See Notes to Financial Statements.

Cancer Support Community Los Angeles

Statement of Functional Expenses
Year Ended December 31, 2019
With Summarized Totals for the Year Ended December 31, 2018

	2019				2018
	Program services	General and administrative	Fundraising	Total	Total
Personnel	$ 699,623	$ 55,083	$ 107,693	$ 862,399	$ 808,240
Occupancy	242,091	9,678	9,678	261,447	271,269
Depreciation and amortization	73,976	4,127	4,438	82,541	75,973
Professional fees	41,629	5,550	8,326	55,505	56,331
Outside services	37,302	8,506	22,476	68,284	55,397
Printing and reproduction	17,466	1,056	6,858	25,380	38,962
Office	34,533	3,601	3,121	41,255	33,766
Interest	-	1,455	-	1,455	25
Insurance	21,145	2,763	3,726	27,634	28,090
Program supplies	16,826	-	-	16,826	18,177
National	13,983	-	-	13,983	13,642
Telephone	11,427	634	634	12,695	11,987
Meetings and conferences	8,351	967	900	10,218	8,490
Marketing	2,605	610	3,660	6,875	6,419
Postage and delivery	6,777	466	1,962	9,205	5,940
Bank charges	-	10,355	-	10,355	5,259
Outreach	2,510	-	2,138	4,648	4,137
Employee and volunteer relations	4,374	441	523	5,338	2,120
Total	$ 1,234,618	$ 105,292	$ 176,133	$ 1,516,043	$ 1,444,224

See Notes to Financial Statements.

Cancer Support Community Los Angeles

Statement of Cash Flows
Year Ended December 31, 2019
With Summarized Totals for the Year Ended December 31, 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	$ 36,005	$ (1,216,018)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	82,541	75,973
Deferred rent	(75,208)	(68,412)
Realized and unrealized (gain) loss on investments	(670,504)	485,531
Partnership investments	4,457	(16,023)
Change in operating assets and liabilities		
Accounts receivable	(15,237)	-
Pledges receivable	4,230	7,130
Prepaid expenses and other assets	30	(15,224)
Accounts payable	9,305	(29,023)
Accrued liabilities	25,344	4,565
Net cash used in operating activities	(599,037)	(771,501)
Cash flows from investing activities		
Purchase of property and equipment	-	(3,446)
Purchase of investments	(119,859)	(126,722)
Proceeds from sale of investments	-	1,355,892
Net cash provided by (used in) investing activities	(119,859)	1,225,724
Cash flow from financing activities		
Net borrowings (payments) under line of credit agreement	655,000	(297,288)
Principal payments under capital lease obligations	(5,438)	-
Net cash provided by (used in) financing activities	649,562	(297,288)
Net (decrease) increase in cash	(69,334)	156,935
Cash, beginning	201,466	44,531
Cash, end	$ 132,132	$ 201,466
Supplementary information		
Cash paid for interest	$ 1,455	$ 25
Noncash investing and financing activity		
Equipment financed through capital lease arrangement	$ 124,320	$ -

See Notes to Financial Statements.

Note 1 - Organization and nature of activities

Business activity

Cancer Support Community Los Angeles (the "Community") is a California-based 501(c)(3) organization that provides psychological and emotional support to cancer patients and their families via a program of group support, healthy lifestyle classes, educational workshops, social activities and child, family and teen programs. The mission is to ensure that all people impacted by cancer are empowered by knowledge, strengthened by action, and sustained by community. The vision is that no one should have to face cancer alone. All services are offered at no cost to the participant and are geared towards reducing the isolation, stress, and depression that often accompany a cancer diagnosis. Founded in 1982 by Harold H. Benjamin, Ph.D. and Harriet Benjamin, the Community is the founding organization of what is now an international affiliate system based in Washington, D.C. with almost 50 chapters, making the Community the largest provider of psychosocial support for people affected by cancer. The Community is funded principally through the private sector with ongoing support from corporations, foundations, and individuals, as well as special fundraising events.

Basis of accounting

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

Financial statement presentation

The Community reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. They are described as follows:

Net Assets Without Donor Restrictions - Net assets for use in general operations and not subject to donor restrictions. Net assets may be designated for specific purposes by action of the Board.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Donor-restricted cash represents amounts received with donor stipulations that limit the use of the donated assets. Not included as cash are funds restricted as to their use, regardless of liquidity. The Community maintains cash in deposit at a bank in excess of the Federal Deposit Insurance Corporation limit from time to time. There was no uninsured cash balance as of December 31, 2019. The Community has not experienced any losses in such accounts.

Accounts receivable

Accounts receivable are stated as unpaid balances, less an allowance for doubtful accounts. The Community provides for losses on receivables using the allowance method. The allowance is based on historical collection experience and an evaluation of the outstanding receivables at the end of the year. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Community's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At December 31, 2019, the Community believes that all accounts receivable are collectible.

Pledges receivable
Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts and a discount on those pledges receivable due in greater than one year. The Community provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Community's policy to charge off uncollectible receivables when management determines the receivable will not be collected. At December 31, 2019, the Community believes that all pledges receivable are collectible.

Investments
Investments are stated at fair value in the statement of financial position. Investment sales and purchases are recorded on a trade-date basis. The realized and unrealized gains and losses are included in the Community's statement of activities. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis.

The Community invests in a diversified portfolio, consisting primarily of fixed income and equity securities, which may reflect varying rates of return. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the statement of activities and investment portfolio on the statement of financial position.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and amortization if purchased or fair value on the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, generally ranging from 5 to 10 years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Minor repairs and maintenance costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to $1,000 and the useful life is greater than one year.

Fair value measurements
The Community values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Contributions
Contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence or nature of any donor restrictions. Contributions for which donors have imposed restrictions, which limit the use of the donated assets, are reported as restricted support if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions of assets which donors have stipulated must be maintained in perpetuity, with only the income earned thereon available for current use, are classified as net assets with donor restrictions. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions that are met within the same reporting period, are reported as support without donor restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed assets and services
The Community reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Community reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. For the year ended December 31, 2019, the Community received $2,500 in contributed assets.

Contributions of donated services that enhance a non-financial asset and contributed services that are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying financial statements. Contributed services are recorded as contributions at their estimated fair market value as of the date of the donation. The Community did not receive any contributed services for the year ended December 31, 2019.

Special events
Special events revenue is recognized net of special event expenditures when earned, which is typically at the time the event occurs. Special events revenue is recognized equal to the cost of direct benefits to donors, and contribution revenue for the difference.

Artwork
The Community recognizes donations of artwork at the appraised fair market value on the date of donation. At December 31, 2019, the Community had artwork of $100,543.

Deferred Rent
The Community recognizes rent holidays, including the time period during which the Community had access to the property prior to the opening of the site as well as escalating rent provisions and reimbursements received for the office improvement, on a straight-line basis over the term of the lease. At December 31, 2019, deferred rent was $74,821.

Income taxes
The Community is tax-exempt under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Community has no unrecognized tax benefits at December 31, 2019. The Community's federal and state income tax returns prior to fiscal years 2016 and 2015, respectively, are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Community recognizes interest and penalties associated with tax matters, if applicable, as part of income tax expense and includes accrued interest and penalties with accounts payable and accrued expenses in the statement of financial position. The Community has no interest and penalties associated with tax matters at December 31, 2019.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Community uses salary dollars and square footage to allocate the indirect costs.

Use of estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications
Prior period financial statement amounts have been reclassified to conform to the current period presentation.

Comparative totals
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 Community's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Adoption of new accounting pronouncements
The Community adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 provides new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers which reflects the consideration to which the Community expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures

about revenues. The Community adopted ASU 2014-09 on January 1, 2019 using the modified retrospective method of transition for all contracts that were not completed as of that date.

The Community's revenue for reporting periods ended after December 31, 2018 is presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and the Community's historical accounting policy. The Community has not experienced changes to the pattern of revenue recognition for its contracts, the identification of contracts and performance obligations or the measurement of variable consideration.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Community implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Community's implementation of ASU 2018-08.

Subsequent events

The Community evaluated the impact of subsequent events through December 14, 2020, which is the date the financial statements were available to be issued.

Note 2 - Liquidity and availability

The Community regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Community has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Community considers all expenditures related to its ongoing activities and the pattern of income from grants, fundraising, and investments. The Board meets regularly to review all financial aspects of the organization and meets regularly with the Community's financial advisors to review investment results, assess risk, and make recommendations for changes as needed.

At December 31, 2019, the Community has the following financial assets and liquidity resources available over the next 12 months:

Cash	$ 132,132
Accounts receivable	15,237
Pledges receivable	10,275
Investments	5,199,683
	5,357,327
Less endowment investments	2,745,000
	$ 2,612,327

Note 3 - Investments

Investments at December 31, 2019 consist of the following:

Equities	$	2,451,389
Mutual funds		2,108,073
Corporate bonds - domestic		404,254
Cash equivalents		177,520
Foreign bonds		58,447
Investment in partnerships		-
	$	5,199,683

Note 4 - Fair value measurements

At December 31, 2019, financial assets are carried at fair value and are classified in the table below in one of the three categories as described in Note 1:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Equities	$ 2,451,389	$ -	$ -	$ 2,451,389
Mutual funds	2,108,073	-	-	2,108,073
Corporate bonds - domestic	-	404,254	-	404,254
Foreign bonds	-	58,447	-	58,447
Total	$ 4,559,462	$ 462,701	$ -	$ 5,022,163

The Community has partnership interest in some real estate. The fair value of the investment in partnerships has been measured on a non-recurring basis using estimates with the best information available when there is little or no market data available. At December 31, 2019, the fair value of the Community's investment in partnerships was $0.

The table below sets forth the summary of changes in the fair value of the Community's Level 3 assets for the year ended December 31, 2019:

		Investment in partnerships
Balance at at December 31, 2018	$	4,457
Partnership loss		(4,457)
Balance at at December 31, 2019	$	-

Note 5 - Property and equipment

At December 31, 2019, property and equipment consist of the following:

Leasehold improvements	$	683,000
Furniture and fixtures		130,681
Office equipment		278,018
Software		37,800
		1,129,499
Accumulated depreciation		(921,680)
	$	207,819

Depreciation expense for the year ended December 31, 2019 was $82,541.

Note 6 - Line of credit

The Community has available a revolving line of credit with a bank for $750,000. The line of credit expires in February 2021 unless extended. Borrowings under the line of credit bear interest of 4.75% at December 31, 2019. All borrowings are collateralized by substantially all assets of the Community. The outstanding balance on the line of credit was $655,000 as of December 31, 2019.

Note 7 - Capital lease

Property and equipment include gross assets acquired under capital leases of $124,321 as of December 31, 2019. Related amortization included in accumulated depreciation was $6,216 at December 31, 2019. Capital leases are included as a component of office equipment. Amortization of assets under capital leases is included in depreciation and amortization expense. The future minimum lease payments required under the capital lease are as follows:

	Year ending December 31		Amount
	2020	$	27,576
	2021		27,576
	2022		27,576
	2023		27,576
	2024		22,980
Total minimum lease payments			133,284
Less interest			14,402
Capital lease obligations		$	118,882

Note 8 - Commitments and contingencies

The Community leases office space under an operating lease through November 2026. For the year ended December 31, 2019, total rent expense under the lease was $261,447.

The following is a schedule, by years, of future minimum lease payments required under the operating leases that have initial or remaining lease terms:

Year ending December 31	Amount
2020	$ 241,691
2021	260,922
2022	270,054
2023	279,506
2024	289,289
Thereafter	582,657
	$ 1,924,119

Note 9 - Concentration of credit risk

Financial instruments which potentially subject the Community to concentrations of credit risk consist primarily of cash. The Community maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

Note 10 - Net assets with donor restrictions and endowments

Net assets with donor restrictions represent contributions for which the donor has stipulated that the principal is to be kept intact in perpetuity and only the interest and dividends therefrom may be expended for unrestricted purposes. At December 31, 2019, the Community's endowment consists of $2,745,000 donor-restricted funds which are included in net assets with donor restrictions. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), the Community has classified as net assets with donor restrictions the fair value of donations restricted by donors which were to be held as endowments in perpetuity. As a result, net assets with donor restrictions include the fair value of the original and subsequent gifts made to the endowment fund and any accumulations required by donor stipulation. The donors allow the Community to use all income and gains from donor restricted endowments for general or unrestricted purposes.

The primary long-term financial objective for the Community's endowment is to preserve the real (inflation-adjusted) purchasing power of endowment assets. The endowments are also managed to optimize the long run total rate of return on invested assets assuming a prudent level of risk. The goal for this rate of return is one that funds the Community's existing spending policy and allows sufficient reinvestment to grow the endowment principal at a rate that exceeds inflation (as measured by the Consumer Price Index). Over the short term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

From time to time, certain donor-restricted endowment funds may have fair values less than the principal donation (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. At December

31, 2019, funds with original gifts valued of $2,745,000 were included in the net assets with donor restrictions.

Endowment net assets composition by type of funds as of December 31, 2019, consists of the following:

	Without donor restrictions	With donor restrictions		
		Time or purpose	Perptual	Total
Donor-restricted endowment funds	$ -	$ -	$ 2,745,000	$ 2,745,000
Endowment assets, end	$ -	$ -	$ 2,745,000	$ 2,745,000

Changes in endowment net assets for the year ended December 31, 2019 are as follows:

	Without donor restrictions	With donor restrictions		
		Time or purpose	Perptual	Total
Endowment assets, beginning	$ -	$ -	$ 2,563,578	$ 2,563,578
Investment income	-	275,110	181,422	456,532
Appropriated for expenditure	-	(275,110)	-	(275,110)
Endowment assets, end	$ -	$ -	$ 2,745,000	$ 2,745,000

Note 11 - Retirement plan

The Community maintains a 403(b) plan for its employees. The plan includes discretionary employer contributions up to 5% of an eligible employee's salary. The Community did not make any discretionary contributions to the plan for the year ended December 31, 2019.

Note 12 - Subsequent events

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The spread of this virus globally including in early 2020 has caused business disruption domestically in the United States, the area in which the Community operates. As a result, events have occurred, including mandates from federal, state and local authorities, leading to the cancellation of most of the Community's fundraising events and an overall decline in special event activity. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this disruption. Therefore, the extent of the financial impact and duration cannot be reasonably estimated at this time.

In conjunction with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") being passed by Congress in March 2020, the Community applied for a Small Business Administration ("SBA") loan as outlined in the Small Business Debt Relief Program. This program provides immediate relief to small businesses with nondisaster SBA loans. On April 24, 2020, the SBA approved a loan amount of $158,200 for the Community. The loan has a two-year maturity and includes a fixed interest rate of 1% per year until the maturity date. Per the terms of the Paycheck Protection Program, a portion of the loan's principal may be forgiven depending if certain conditions are met by the Community.

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