

2-1-1 Tampa Bay Cares, Inc.

Financial Statements

September 30, 2018 and 2017



2-1-1 TAMPA BAY CARES, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
2-1-1 Tampa Bay Cares, Inc.
Clearwater, Florida

We have audited the accompanying financial statements of 2-1-1 Tampa Bay Cares, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended September 30, 2018, 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 audit 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.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2-1-1 Tampa Bay Cares, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 12, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
January 11, 2019

**2-1-1 TAMPA BAY CARES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 458,988	\$ 216,017
Restricted cash	279,893	263,118
Grants and accounts receivables	554,791	733,502
United Way receivable	15,635	17,163
Prepaid expenses	<u>85,106</u>	<u>75,438</u>
Total current assets	1,394,413	1,305,238
Property and equipment, net	131,496	194,837
Other Assets		
Deposits	<u>2,062</u>	<u>3,062</u>
Total Assets	<u>\$ 1,527,971</u>	<u>\$ 1,503,137</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 15,421	\$ 12,055
Accrued payroll and benefits	64,618	73,814
Deferred revenue	<u>561,875</u>	<u>530,000</u>
Total liabilities	641,914	615,869
Net assets		
Unrestricted net assets:		
Operating	738,926	675,268
Property and equipment, net of related debt	<u>131,496</u>	<u>194,837</u>
Total unrestricted net assets	870,422	870,105
Temporarily restricted net assets	<u>15,635</u>	<u>17,163</u>
Total net assets	<u>886,057</u>	<u>887,268</u>
Total Liabilities and Net Assets	<u>\$ 1,527,971</u>	<u>\$ 1,503,137</u>

See accompanying notes to financial statements

2-1-1 TAMPA BAY CARES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2018</u>	<u>2017</u>
Public Support and Revenue				
Grants and contract revenue	\$ 3,812,099	\$ 15,635	\$ 3,827,734	\$ 3,534,961
Program fees	74,495	-	74,495	36,095
Contributions	49,276	-	49,276	41,004
Other income	620	-	620	654
In-kind revenue	2,299	-	2,299	2,248
Net assets released from restrictions				
Expiration of time restrictions	17,163	(17,163)	-	-
Total public support and revenue	3,955,952	(1,528)	3,954,424	3,614,962
Expenses				
Program services	3,663,368	-	3,663,368	3,211,952
Management and general	292,267	-	292,267	307,809
Total expenses	3,955,635	-	3,955,635	3,519,761
Change in Net Assets Before Other Changes	317	(1,528)	(1,211)	95,201
Other Changes - Revenue (Expense)				
Loss on asset disposal	-	-	-	(5,800)
Total other changes	-	-	-	(5,800)
Change in Net Assets	317	(1,528)	(1,211)	89,401
Net Assets, Beginning of Year	870,105	17,163	887,268	797,867
Net Assets, End of Year	\$ 870,422	\$ 15,635	\$ 886,057	\$ 887,268

See accompanying notes to financial statements

2-1-1 TAMPA BAY CARES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue			
Grants and contract revenue	\$ 3,517,798	\$ 17,163	\$ 3,534,961
Program fees	36,095	-	36,095
Contributions	41,004	-	41,004
Other income	654	-	654
In-kind revenue	2,248	-	2,248
Net assets released from restrictions			
Expiration of time restrictions	20,570	(20,570)	-
Total public support and revenue	3,618,369	(3,407)	3,614,962
Expenses			
Program services	3,211,952	-	3,211,952
Management and general	307,809	-	307,809
Total expenses	3,519,761	-	3,519,761
Change in Net Assets Before Other Changes	98,608	(3,407)	95,201
Other Changes - Revenue (Expense)			
Loss on asset disposal	(5,800)	-	(5,800)
Total other changes	(5,800)	-	(5,800)
Change in Net Assets	92,808	(3,407)	89,401
Net Assets, Beginning of Year	777,297	20,570	797,867
Net Assets, End of Year	\$ 870,105	\$ 17,163	\$ 887,268

See accompanying notes to financial statements

2-1-1 TAMPA BAY CARES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	Program Services					Total Program Services	Management and General	Total	
	Family Services Initiative	Crisis Hotline	Healthy Transitions	Help Me Grow	Direct Financial Assistance			2018	2017
Salaries and related expenses									
Salaries	\$ 578,419	\$ 276,477	\$ 52,006	\$ 119,232	\$ 338,374	\$ 1,364,508	\$ 149,350	\$ 1,513,858	\$ 1,556,900
Payroll taxes and fringe benefits	115,279	55,102	10,365	23,763	67,438	271,947	29,765	301,712	303,504
Total salaries and related expenses	693,698	331,579	62,371	142,995	405,812	1,636,455	179,115	1,815,570	1,860,404
Other expenses									
Direct client expenses	-	-	-	-	1,486,766	1,486,766	-	1,486,766	916,874
Software	49,974	6,824	518	1,734	41,374	100,424	1,412	101,836	222,830
Utilities	61,958	29,615	5,571	12,163	36,245	145,552	7,686	153,238	155,262
Depreciation	-	-	-	-	-	-	70,627	70,627	90,893
Rent	36,232	17,319	3,258	1,561	18,272	76,642	9,624	86,266	79,680
Professional fees	48,744	23,299	4,383	10,048	28,515	114,989	12,585	127,574	79,254
Office expenses	14,002	6,693	1,259	2,886	8,191	33,031	3,614	36,645	34,384
Travel, training and conferences	10,529	5,033	947	2,170	6,160	24,839	2,719	27,558	32,378
Insurance	12,058	5,763	1,084	2,485	7,054	28,444	3,114	31,558	28,440
Other	6,878	3,288	618	1,418	4,024	16,226	1,771	17,997	19,362
Total other expenses	240,375	97,834	17,638	34,465	1,636,601	2,026,913	113,152	2,140,065	1,659,357
Total Functional Expenses	\$ 934,073	\$ 429,413	\$ 80,009	\$ 177,460	\$ 2,042,413	\$ 3,663,368	\$ 292,267	\$ 3,955,635	\$ 3,519,761

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
Cash Flows from Operating Activities:		
Change in net assets	\$ (1,211)	\$ 89,401
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	70,627	90,893
Loss on asset disposal	-	5,800
(Increase) decrease in operating assets:		
Restricted cash	(16,775)	(49,205)
Grants and accounts receivables	178,711	(115,006)
Prepaid expenses	(9,668)	17,636
United Way receivable	1,528	3,407
Deposits	1,000	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	3,366	(11,969)
Accrued payroll and benefits	(9,196)	25,262
Deferred revenue	31,875	180,000
	250,257	236,219
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(7,286)	(97,065)
Cash Flows from Financing Activities:		
Payments on capital lease obligations	-	(5,099)
	242,971	134,055
Net Increase in Cash and Cash Equivalents	242,971	134,055
Cash and Cash Equivalents at Beginning of Year	216,017	81,962
Cash and Cash Equivalents at End of Year	\$ 458,988	\$ 216,017

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

NOTE A - NATURE OF ORGANIZATION

2-1-1 Tampa Bay Cares, Inc. (the Organization) was chartered in 1996 as a Florida, not-for-profit corporation, which provides a wide-range of services under the following programs:

2-1-1 provides information, assessment, referrals, crisis intervention, and connections to health and human services. During 2001, the telephone number 2-1-1, which was set aside by the Federal Communication Commission for easy access to community information, was established in Pinellas County. The Organization also handles calls to 2-1-1 in Hernando County. During 2015, the Organization began collaborating in the Adult Emergency Financial Assistance Program; this project helps individuals and married couples without minor children by providing financial assistance to help prevent evictions, foreclosures, and unhealthy living conditions and help empower them to become self-sufficient. During 2017, the Organization began collaborating in the Rapid Rehousing Program; this project helps place individuals and families with minor children into permanent housing with up to six months of rental and utility deposits and payment assistance.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The Organization presents information regarding its financial position and activities according to three classes of net assets described as follows:

- Unrestricted Net Assets - All resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the Board's discretion.
- Temporarily Restricted Net Assets - Resources for which donor imposed restrictions related to use or timing have not yet been met. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.
- Permanently Restricted Net Assets - Resources accumulated through donations or grants that are subject to the restriction in perpetuity that the principal be invested. These net assets include the original value of the gift, plus any subsequent additions. The Organization has no permanently restricted net assets as of September 30, 2018 and 2017.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of receivables, determination of the useful lives of the property and equipment, and allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions and from time to time money market fund accounts. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the years ended September 30, 2018 and 2017, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

Restricted Cash

Restricted cash represents prepayments on an expense reimbursement grant. Restricted cash amounts are limited in use to client direct expenses under the related grant.

Grants and Accounts Receivable

The Organization records a receivable and revenue at the time funds are earned. Management estimates the allowance for uncollectible grants and receivables based on a review of the individual receivables outstanding as of the end of the year. Management writes off receivables as identified against the allowance amount. As of September 30, 2018 and 2017, the Organization considered all receivables to be fully collectible and no allowance was necessary.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions and Promises to Give

As a not-for-profit organization, the Organization is required to measure contributions received and unconditional promises to give at their fair value and report them as increases in net assets immediately, even if the donor has restricted their use and the restriction will be met in future periods. As a result, contributions are recorded immediately either as an increase in unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets, depending on the nature of the donor restrictions, if any. Any amounts that are contributed to the Organization as an endowment are considered permanently restricted (there were none for the fiscal years ending September 30, 2018 and 2017).

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included in support until the conditions are met.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Contributed property and equipment, if any, is recorded as unrestricted support at its fair value at the date of donation as determined by the Organization. If donors stipulate how long the asset is to be used, the contributions are recorded as restricted support.

Donated supplies, materials, publications, etc. are recorded as unrestricted contributions in the period received at fair value. Only such assets with determinable fair value are recorded. Contributed services that require specialized skill (attorneys, accountants, counselors, etc.) are recorded in the statements of activities as unrestricted support at their fair value.

Accrued Payroll and Benefits

Accrued payroll and benefits represent accrued wages, vested vacation leave, and accrued retirement contributions. Vacation leave is charged as an expense in the period in which it is earned by the employee.

Property and Equipment

Property and equipment are stated at cost, if purchased or at estimated fair value at the date of receipt, if acquired by gift. Expenditures in excess of \$1,000 with an estimated useful life in excess of one year are capitalized. Depreciation is calculated using a straight-line method with a full year convention over the useful lives of the respective assets ranging from 3 to 10 years.

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants and Contract Revenue

Grants and contract revenue are recognized as support when performance occurs pursuant to the contract agreement. Deferred revenue represents grant funding received but not yet expended.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management has determined that no impairment occurred during the years ended September 30, 2018 and 2017.

Statement of Functional Expenses

The cost of providing the Organization's various programs and other activities has been summarized on a functional basis in the accompanying statement of functional expenses and statements of activities. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Certain expenses are allocated to each function based on management's estimate of time spent within each category or square footage of the program and administrative offices.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s federal returns are generally open for examination for three years following the date filed.

Summarized Comparative Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended September 30, 2017, from which the summarized information was derived.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 324,127	\$ 316,841
Leasehold improvements	220,000	220,000
Software	19,500	19,500
Total property and equipment	<u>563,627</u>	<u>556,341</u>
Less accumulated depreciation	<u>(432,131)</u>	<u>(361,504)</u>
	<u>\$ 131,496</u>	<u>\$ 194,837</u>

Total depreciation expense was \$70,627 and \$90,893 for the years ended September 30, 2018 and 2017, respectively.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE D - LINE-OF-CREDIT

The Organization had a \$250,000 line-of-credit that renews annually in March. The interest rate on this line-of-credit is the prime rate (5.25% and 4.25% at September 30, 2018 and 2017, respectively). There were no amounts outstanding on the line-of-credit at September 30, 2018 and 2017. The Organization had \$250,000 available for use at September 30, 2018 and 2017. The line is collateralized by substantially all of the property of the Organization.

NOTE E - CAPITAL LEASE OBLIGATIONS

During the year ended September 30, 2013, the Organization acquired a copier through an obligation totaling \$29,003 that matures in April 2017. The Organization makes monthly payments, including interest, of \$645. Total depreciation expense for the year ended September 30, 2017 was \$3,867. The cost of the asset under capital lease is \$29,003, with accumulated depreciation totaling \$23,203 at September 30, 2017. The obligation was satisfied as of September 30, 2017.

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of amounts contributed to the Organization by the United Way that have not yet been collected. Temporarily restricted net assets released from restrictions represent amounts contributed from United Way that were temporarily restricted at the beginning of the respective fiscal year and collected during that fiscal year.

NOTE G - LEASE EXPENSE AND COMMITMENTS

The Organization leases office space and office equipment under various operating leases through fiscal year 2022. Lease expense for the years ended September 30, 2018 and 2017 was \$80,266 and \$73,840, respectively, and is included in rent expense on the statement of functional expenses. The aggregate future minimum lease payments under these operating leases for the next four years are as follows:

<u>Years Ending September 30,</u>	
2019	\$ 88,363
2020	90,144
2021	91,983
2022	<u>53,834</u>
	<u>\$ 324,324</u>

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

NOTE H - CONCENTRATIONS

The following grantors each provided a significant amount of the Organization's revenue for the years ended September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
U.S. Department of Housing and Urban Development	0%	6%
The Juvenile Welfare Board of Pinellas County	24%	29%
Pinellas County	62%	47%
	<u>86%</u>	<u>82%</u>

At September 30, 2018 and 2017, two grantors account for approximately 84% and 68%, respectively, of the outstanding grants and accounts receivable.

NOTE I - GRANT AND CONTRACT REVENUE

The Organization receives support from several grantors and various agencies. During the years ended September 30, grant and contract revenue consisted of the following:

<u>Grantor/Program Name</u>	<u>2018</u>	<u>2017</u>
U.S. Department of Housing and Urban Development Special Needs Assistance	\$ -	\$ 217,295
Passed through the City of St. Petersburg: Community Development Block Grant	-	24,001
Florida Department of Children and Families: Passed through Pinellas County Homeless Leadership Board, Inc.	-	29,984
Juvenile Welfare Board of Pinellas County	930,722	1,042,172
City of St. Petersburg - Social Action Funding	25,000	25,000
United Way of Suncoast	116,138	120,735
United Way of Hernando County	25,000	25,000
Healthy Transitions	53,609	47,538
St. Vincent de Paul	20,004	101,251
Pinellas County	2,443,999	1,715,562
Help Me Grow	149,137	176,423
Pinellas Community Foundation	10,000	10,000
Tampa Bay Disaster Relief Fund	30,000	-
PNC Foundation	17,000	-
Florida Network	5,000	-
Foundation for a Healthy St. Pete	1,125	-
City of Oldsmar	1,000	-
	<u>\$ 3,827,734</u>	<u>\$ 3,534,961</u>

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

NOTE J - RETIREMENT PLAN

The Organization has established a tax sheltered annuity plan (the "Plan") whereby a percentage of base salaries of eligible participating employees may be contributed to the Plan by the Organization. The Organization's contribution is discretionary. Participating employees may also elect to contribute a percentage of their salaries. The Plan covers substantially all employees. Participants fully vest in the employer's contribution after five years of service to the Organization. Total expense incurred by the Organization related to the Plan during the years ended September 30, 2018 and 2017 was \$29,118 and \$9,874, respectively.

NOTE K - COMMITMENTS AND CONTINGENCIES

The Organization is subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Organization to be in compliance with the terms of its funding agreements.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through January 11, 2019, the date the financial statements were available and issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.