WORLDWIDE ORPHANS FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

SOBEL & CO. LLC
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

WORLDWIDE ORPHANS FOUNDATION

DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Worldwide Orphans Foundation
South Orange, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Worldwide Orphans Foundation, a New Jersey and New York nonprofit organization ("Organization"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, 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.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization'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 Organization'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 the Organization as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Organization adopted Financial Accounting Standards Board, *Revenue from Contracts with Customers,* and *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as described in Note 2, during the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

Sobel & Co., LLC

Certified Public Accountants

Livingston, New Jersey
December 11, 2020

SOBELCO

WORLDWIDE ORPHANS FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	December 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash	$ 224,487	$ 399,160
Contributions and grants receivable	85,204	150,779
Overseas deposits	115,791	73,730
Prepaid expenses	6,393	28,981
Total Current Assets	431,875	652,650
PROPERTY AND EQUIPMENT, NET	1,298	1,690
OTHER ASSETS:		
Security deposits	5,511	6,911
Total Other Assets	5,511	6,911
	$ 438,684	$ 661,251
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 36,473	$ 18,729
Total Liabilities	36,473	18,729
NET (DEFICIT) ASSETS:		
Without donor restrictions	(250,884)	63,326
With donor restrictions	653,095	579,196
Total Net Assets	402,211	642,522
	$ 438,684	$ 661,251

WORLDWIDE ORPHANS FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Contributions and gifts in-kind	$ 673,782	$ 536,067	$ 1,209,849	$ 545,094	$ 317,692	$ 862,786
Special events	562,740	-	562,740	1,091,385	-	1,091,385
Less: Direct cost of special events	(218,398)	-	(218,398)	(299,739)	-	(299,739)
Interest and dividend income	131	-	131	3,013	-	3,013
Foreign currency losses	(266)	-	(266)	(4,129)	-	(4,129)
Realized loss on investments	-	-	-	(10,749)	-	(10,749)
Unrealized gain on investments	-	-	-	7,584	-	7,584
Net assets released from restrictions	462,168	(462,168)	-	394,770	(394,770)	-
Total Revenue and Support	1,480,157	73,899	1,554,056	1,727,229	(77,078)	1,650,151
EXPENSES:						
Program services:						
Ethiopia	350,843	-	350,843	436,434	-	436,434
Vietnam	502,255	-	502,255	471,228	-	471,228
Bulgaria	150,722	-	150,722	157,471	-	157,471
Haiti	326,699	-	326,699	364,361	-	364,361
Serbia	1,078	-	1,078	21,873	-	21,873
US	126,219	-	126,219	131,099	-	131,099
Supporting services:						
Management and general	128,417	-	128,417	131,719	-	131,719
Fundraising	208,134	-	208,134	246,451	-	246,451
Total Expenses	1,794,367	-	1,794,367	1,960,636	-	1,960,636
CHANGES IN NET ASSETS	(314,210)	73,899	(240,311)	(233,407)	(77,078)	(310,485)
NET ASSETS - Beginning of year	63,326	579,196	642,522	296,733	656,274	953,007
NET ASSETS - End of year	$ (250,884)	$ 653,095	$ 402,211	$ 63,326	$ 579,196	$ 642,522

WORLDWIDE ORPHANS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services										
	Ethiopia	Vietnam	Bulgaria	Haiti	Serbia	US	Total Program Services	Management and General	Fundraising	Direct Cost of Special Events	Total
Salaries	$ 172,275	$ 104,155	$ 100,166	$ 149,920	$ 972	$ 31,214	$ 558,702	$ 84,123	$ 138,816	$ -	$ 781,641
Payroll taxes and employee benefits	25,823	27,620	4,096	47,819	30	3,493	108,881	18,909	32,524	-	160,314
Supplies	65,580	38,678	919	17,951	1	10,775	133,904	419	721	-	135,044
Taxes and fees	-	32,160	1,034	-	-	-	33,194	-	-	-	33,194
Telecommunications	1,796	3,238	175	4,397	1	149	9,756	806	1,386	-	11,948
Postage and shipping	-	267	55	-	-	-	322	118	-	-	440
Development/Dues and Subscriptions	-	-	419	-	-	-	419	153	5,565	-	6,137
Occupancy	24,363	27,874	4,471	10,023	2	291	67,024	1,573	2,705	-	71,302
Equipment rental	266	-	-	-	-	-	266	910	-	-	1,176
Printing and publication	1,273	1,124	283	833	-	116	3,629	-	-	-	3,629
Stipends	17,466	-	5,051	22,707	-	1,350	46,574	-	-	-	46,574
Travel/Auto Expenses	11,084	11,043	2,571	47,483	8	953	73,142	2,288	1,622	-	77,052
Meetings and conferences	-	1,093	2,340	-	-	-	3,433	14	-	-	3,447
Nonprofit advisor fees	9,199	35,346	5,068	9,148	25	66,789	125,575	7,482	5,303	-	138,360
Professional fees	8,666	12,726	10,359	7,293	24	2,848	41,916	7,248	5,137	-	54,301
Facilities	-	28,361	-	37	-	-	28,398	-	-	-	28,398
Meals and entertainment	-	-	236	-	-	6,000	6,236	-	-	-	6,236
Staff development	949	-	-	-	-	-	949	-	-	-	949
School supplies and resources	3,748	102,109	-	-	-	-	105,857	-	-	-	105,857
Bank merchant fees	1,012	1,559	687	2,201	3	299	5,761	762	11,713	-	18,236
Insurance	2,813	3,778	1,125	2,456	8	959	11,139	2,441	1,730	-	15,310
Miscellaneous	3,388	3,947	7,101	682	-	-	15,118	-	-	-	15,118
Bad debt expense	1,103	1,686	502	1,096	4	428	4,819	1,089	772	-	6,680
Training and mentoring	-	65,432	4,046	2,614	-	540	72,632	-	-	-	72,632
Depreciation	39	59	18	39	-	15	170	82	140		392
Catering and facility rental	-	-	-	-	-	-	-	-	-	218,398	218,398
Total Expenses	$ 350,843	$ 502,255	$ 150,722	$ 326,699	$ 1,078	$ 126,219	$ 1,457,816	$ 128,417	$ 208,134	$ 218,398	$ 2,012,765
Less: Direct cost of special events											(218,398)
Total Functional Expenses											$ 1,794,367

WORLDWIDE ORPHANS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services										
	Ethiopia	**Vietnam**	**Bulgaria**	**Haiti**	**Serbia**	**US**	**Total Program Services**	**Management and General**	**Fundraising**	**Direct Cost of Special Events**	**Total**
Salaries	$ 213,209	$ 127,102	$ 95,637	$ 161,085	$ 1,650	$ 50,189	$ 648,872	$ 80,882	$ 119,812	$ -	$ 849,566
Payroll taxes and employee benefits	29,769	44,919	5,482	51,575	66	4,329	136,140	15,905	17,672	-	169,717
Supplies	55,578	33,298	2,188	20,740	10,001	4,729	126,534	184	204	-	126,922
Taxes and fees	235	35,777	-	-	-	-	36,012	-	-	-	36,012
Telecommunications	3,378	4,486	531	5,992	5	313	14,705	1,151	1,279	-	17,135
Postage and shipping	62	578	235	22	-	17	914	64	517	-	1,495
Advertising, marketing, website	125	-	668	-	-	-	793	-	-	-	793
Development/Dues and subscriptions	631	57	487	44	-	15	1,234	55	4,602	-	5,891
Occupancy	38,684	35,654	5,382	15,883	38	1,656	97,297	4,615	5,128	-	107,040
Equipment rental	1,083	1,618	549	686	4	233	4,173	856	952	-	5,981
Facilities	-	10,344	-	-	-	-	10,344	-	-	-	10,344
Printing and publication	1,830	1,041	69	605	-	-	3,545	-	474	-	4,019
Stipends	16,155	-	4,135	27,581	-	-	47,871	-	-	-	47,871
Travel/auto expenses	20,287	4,954	6,329	44,728	2	921	77,221	370	5,379	-	82,970
Meetings and conferences	11,262	3,683	514	1,194	6	406	17,065	1,340	772	-	19,177
Nonprofit advisor fees	7,124	13,590	3,467	5,869	30	63,399	93,479	6,587	53,795	-	153,861
Professional fees	18,442	12,658	9,764	8,476	44	2,881	52,265	9,514	20,774	-	82,553
Meals and entertainment	264	1,083	264	264	-	264	2,139	-	-	-	2,139
Staff development	167	1,606	850	3,628	-	-	6,251	-	940	-	7,191
School supplies and resources	1,530	64,979	-	-	6,000	-	72,509	-	-	-	72,509
Bank merchant fees	1,644	2,086	764	2,002	7	429	6,932	1,417	10,882	-	19,231
Insurance	2,772	2,481	814	1,891	10	643	8,611	2,123	1,223	-	11,957
Miscellaneous	2,122	4,394	13,343	8,576	4,004	300	32,739	5,275	513	-	38,527
Training and mentoring	-	63,391	5,524	2,415	-	-	71,330	-	-	-	71,330
Bad debt expense	8,740	-	-	-	-	-	8,740	-	-	-	8,740
Depreciation	1,341	1,449	475	1,105	6	375	4,751	1,381	1,533	-	7,665
Catering and facility rental	-	-	-	-	-	-	-	-	-	299,739	299,739
Total Expenses	$ 436,434	$ 471,228	$ 157,471	$ 364,361	$ 21,873	$ 131,099	$ 1,582,466	$ 131,719	$ 246,451	$ 299,739	2,260,375
										Less: Direct cost of special events	(299,739)
										Total Functional Expenses	$ 1,960,636

WORLDWIDE ORPHANS FOUNDATION
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2019	2018
CASH FLOWS USED FOR:		
OPERATING ACTIVITIES:		
Changes in net assets	$ (240,311)	$ (310,485)
Adjustments to reconcile changes in net assets to net cash used for operating activities:		
Depreciation	392	7,665
Unrealized gain on investments	-	(7,584)
Realized loss on investments	-	10,749
Changes in assets and liabilities:		
Contributions and grants receivable	65,575	99,355
Overseas deposits	(42,061)	31,004
Prepaid expenses	22,588	(5,258)
Security deposits	1,400	5,955
Accounts payable and accrued expenses	17,744	(44,357)
Net Cash Used for Operating Activities	(174,673)	(212,956)
INVESTING ACTIVITIES:		
Proceeds from sale of investments	-	502,744
Net Cash Provided by Investing Activities	-	392,141
FINANCING ACTIVITIES:		
Payments on line of credit	-	(123,818)
Net Cash Used for Financing Activities	-	(123,818)
NET (DECREASE) INCREASE IN CASH	(174,673)	165,970
CASH:		
Beginning of year	399,160	233,190
End of year	$ 224,487	$ 399,160

NOTE 1 - NATURE OF ORGANIZATION:

Worldwide Orphans Foundation ("Organization" or "WWO") is a not-for-profit organization founded and registered under the laws of the state of New York on September 11, 1997. In 2007, the Organization also registered under the laws of the state of New Jersey. The Organization was organized exclusively for charitable and education purposes. The mission of the Organization is to transform the lives of orphaned children and help them to become healthy, independent, productive members of their communities and the world. The Organization believes that institutionalized children must be integrated into their own communities and cultures and, to that end, all of the Organization's programs include orphans and children from the local areas.

The Organization served over 8,000 children and adults across six countries in 2019, including Bulgaria, Ethiopia, Haiti, Serbia, Vietnam and the United States. In Bulgaria, programs focus on early intervention for children living in government-run orphanages, group homes, or centers for children with disabilities. WWO also runs community-based and hospital-based programs to support early childhood development. The Organization's programs in Ethiopia focus on early intervention, psychosocial support, and positive youth development. The WWO preschool serves as a model of play-based learning for 72 children ages 3-6 years. WWO also provides educational support to students ranging from 1st grade through 12th grade and runs a youth club and sports programming for boys and girls on the weekends. In Haiti, programs focus on integrating children who live in orphanages with those in the community through play programming. Early intervention programs for children from birth to age 7 (and their caregivers) and after-school programming for children from 7 to 17 years of age, combine to create opportunities for play, social connections, and educational support. In Vietnam, WWO implemented Element of Play programs in all of its projects and sites to address the pressing psychosocial needs of children through access to play, increasing communication and independence through play, therapy centered on play, and parental interactions and involvement with play. In the United States, WWO started programming in Orange, New Jersey, in 2015, and expanded to Brooklyn and Manhattan, New York, in 2016 and 2017, respectively. WWO's US programs work with young children through the WWO toy library. In Orange, WWO also offers after-school support, music in motion, and facilitates a Haitian girls club. In Brooklyn, programming is based within the PS307 School. In Manhattan, WWO partners with Sanctuary for Families to offer a toy library for children and families affected by domestic violence and abuse, while also training professionals in the Element of Play model. WWO is supported through service-learning projects that provide opportunity for those interested in volunteering to donate their time and talent to support each of the country's programs. Partnerships are key to the success of WWO in each of the countries in which we work and include a mixture of government-level (Ministry of Education and Social Services), other nonprofit organizations, schools, and hospitals. The Organization's primary sources of revenue are contributions and special events.

NOTE 2 - SUMMARY OF 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.

Financial Statement Presentation:
Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Allowance for Doubtful Accounts:
The Organization determines whether an allowance for uncollectible accounts should be provided for contributions and grants receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions and historical information. Contributions and grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. At December 31, 2019 and 2018, management has determined that no allowance for doubtful accounts is necessary.

Property and Equipment:
Purchased property and equipment is capitalized at cost. The costs of additions and betterments are capitalized when they exceed $1,000 and have a useful life of over one year, and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Gifts-in-kind are recorded at estimated fair value at the time of the donation. Leasehold improvements are amortized over the shorter of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (continued)
Depreciation of equipment, furniture, vehicle and leasehold improvements is provided utilizing the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years.

Contributions, Gifts, and Grants:
In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting pronouncement, *Revenue from Contracts with Customers*, which is a comprehensive new revenue recognition standard that supersedes existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2019, the first day of the Organization's fiscal year, using the modified retrospective approach.

The Organization primarily derives its revenue from its special event. The direct benefit to donors of the special event is recognized as revenue in the financial statements. The direct benefit to donors is an amount that reflects the consideration the Organization expects to be entitled to in exchange for the event. For the performance obligation relating to the direct benefit to donors, control transfers to the client at a point in time when the event takes place. There are no significant financing components or variable considerations provided to clients.

The Organization adopted the FASB, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, during the year ended December 31, 2019. This guidance is intended to clarify and improve the scope of accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions.

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. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met. The Organization does not accrue interest on past-due receivables. All contributions and grants receivable are due within one year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during 2019 and 2018. At December 31, 2019 and 2018, there are no significant income tax uncertainties.

Use of Estimates:
In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements:
The FASB issued an accounting pronouncement, *Leases,* which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Under this new pronouncement, a modified retrospective transition approach is required, and the new standard is applied to all leases existing at the date of initial application. The standard is effective for annual periods beginning after December 15, 2021. The Organization is currently evaluating the effect the new standard will have on the financial statements.

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment are as follows:

	December 31, 2019	December 31, 2018
Equipment, furniture and vehicle	$ 80,173	$ 80,173
Leasehold improvements	269,518	269,518
	349,691	349,691
Less: Accumulated depreciation	(348,393)	(348,001)
Property and Equipment, Net	$ 1,298	$ 1,690

NOTE 4 - LINE OF CREDIT:

During 2017, the Organization entered into a demand line of credit with a bank up to the amount of $600,000. Bank advances on the credit line are payable on demand and carry a variable rate interest which is 2.50% over LIBOR. The credit line requires pledged collateral of the Organization's investment account. The amount available to borrow is equal to the loan value of the pledged collateral, which includes cash, less outstanding loan balance and accrued interest and fees. The amount available to borrow at December 31, 2019 and 2018, is approximately $10,000 and $356,000, respectively. There was no balance outstanding at December 31, 2019.

NOTE 5 - DONATED MATERIALS:

Included in contributions and gifts-in-kind on the statements of activities and changes in net assets are donated materials in the amounts of $21,235 and $17,800 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:

The following net assets with donor restrictions were available to support the Organization's specific programs in:

	Years Ended December 31	
	2019	**2018**
Ethiopia	$ 437,547	$ 484,856
Haiti	404	401
Bulgaria	19,751	3,359
Vietnam	190,365	73,127
Other	5,028	17,453
Total Net Assets With Donor Restrictions	$ 653,095	$ 579,196

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors:

	Years Ended December 31	
	2019	**2018**
Ethiopia	$ 182,810	$ 202,190
Haiti	22,880	28,055
Bulgaria	9,304	-
Vietnam	150,550	126,305
Other	96,624	38,220
Total Net Assets Released from Donor Restrictions	$ 462,168	$ 394,770

NOTE 7 - CONCENTRATION OF CREDIT RISK:

The Organization maintains cash balances in several federally insured financial institutions. From time to time, the Organization's balances may exceed insured limits.

NOTE 8 - PENSION PLAN:

The Organization entered into a Safe Harbor 401(k) Plan for all eligible employees in January 2011. The Organization matches contributions at 3% to 5% based on employee contributions to the plan. Pension expense for the years ended December 31, 2019 and 2018, was $11,407 and $14,865, respectively.

NOTE 9 - COMMITMENTS:

Leases:
The Organization leased space for its New Jersey office under a lease that expired on January 31, 2019. On February 1, 2019, the Organization entered into a new lease for its New Jersey office that expires on January 31, 2021. The Organization leases space in Vietnam under a 3-year lease that expires on December 31, 2020. The Organization leases a space in Ethiopia under a noncancellable lease agreement that expires August 13, 2020. The Organization leases space in Haiti that expires April 15, 2020.

At December 31, 2019, future minimum lease payments on these leases are as follows:

Year Ending December 31,	
2020	$ 44,104
2021	700
Total	$ 44,804

Occupancy expense, including utilities and miscellaneous charges, was $61,628 and $95,007 for the years ended December 31, 2019 and 2018, respectively.

NOTE 10 - FUNCTIONAL EXPENSES:

The financial statements contain certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The majority of expenses are allocated based on direct costs, such as salaries, taxes and fees, advertising, printing, and stipends. General and administration allocations for depreciation, rent, supplies, telecommunications, postage, subscriptions and memberships, equipment rental, and benefits are allocated based on the number of employees within a specific program, fundraising and administration. General and administration allocations for bank fees, insurance, nonprofit advisor fees, meetings/conferences, travel, professional fees and miscellaneous are allocated based on the percentage of total expenses per program, fundraising and administration.

NOTE 11 - SIGNIFICANT RISKS AND UNCERTAINTIES:

The Organization is actively monitoring the recent COVID-19 outbreak and its potential impact on the employees, volunteers, donors, clients, and operations. It is not known at this time how much effect the virus will have on operations and/or financial results. The potential impact of COVID-19 is not foreseeable due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities.

NOTE 12 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets as December 31, 2019 and 2018, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. The Organization's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately $162,000).

	2019	2018
Cash	$ 244,487	$ 399,160
Contributions and grants receivable	85,204	150,779
Total financial assets	329,691	549,939
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(653,095)	(579,196)
Financial assets available to meet general expenditures over the next 12 months	$ (323,404)	$ (29,257)

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To alleviate the liquidity deficiency, results of prior operations and net deficit, management intends to increase revenues through fundraising events and donor contributions, review programs for profitability, and continue to manage expenses. Additionally, the Organization maintains a $10,000 line of credit with a financial institution.

NOTE 13 - SUBSEQUENT EVENTS:

The Organization has evaluated events subsequent to the statement of financial position date as of December 31, 2019 through December 11, 2020, the date that the financial statements were available to be issued.

The Organization obtained a Paycheck Protection Program loan under the CARES Act in April 2020 for approximately $92,000. This loan is to provide the Organization with working capital for the purpose of maintaining employment levels and paying occupancy costs during a stay-at-home period ordered by the governor of New Jersey. The Organization may receive partial or full forgiveness of the debt if they maintain employee count, as well as salary levels, during such specified period. Any portion of the loan that is not forgiven must be repaid. Loan payments, if any, are deferred until October 2020 and are payable with interest at 1%, through 2025. The loan is uncollateralized and guaranteed by the Small Business Association.