RESOURCE
central

Financial Statements

As of and For the Years Ended
December 31, 2019 and 2018

ACM

Resource Central

Contents

Independent Auditor's Report

Board of Directors
Resource Central
Boulder, Colorado

We have audited the accompanying financial statements of Resource Central (formerly, Center for Resource Conservation) (the "Organization"), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resource Central as of December 31, 2019 and 2018, and the changes in its net assets, functional expenses, 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 COVID-19 outbreak in 2020 (see Note 11) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter

ACM LLP

Denver, Colorado
May 29, 2020

Resource Central

Statements of Financial Position

December 31,		**2019**		2018
Assets:				
Cash and cash equivalents	**$**	**612,419**	$	583,648
Grants and contributions receivable		**23,942**		29,166
Prepaid expenses and deposits		**28,247**		14,067
Inventory		**75,937**		53,950
Property and equipment, net		**178,392**		167,135
Total assets	**$**	**918,937**	$	847,966
Liabilities and net assets				
Liabilities:				
Accounts payable	**$**	**29,846**	$	46,980
Accrued payroll		**119,996**		101,365
Deferred revenue		**24,310**		350
Note payable		**6,455**		13,111
Total liabilities		**180,607**		161,806
Commitments and contingencies				
Net assets:				
Without donor restrictions		**590,098**		616,758
With donor restrictions		**148,232**		69,402
Total net assets		**738,330**		686,160
Total liabilities and net assets	**$**	**918,937**	$	847,966

See accompanying notes to the financial statements.

Resource Central

Statements of Activities

Year Ended December 31,	2019			2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Materials Reuse sales revenue	**$ 917,001**	**$ -**	**$ 917,001**	$ 911,367	$ -	$ 911,367
Building materials for resale	**819,559**	**-**	**819,559**	855,373	-	855,373
Less: cost of goods sold	**(863,528)**	**-**	**(863,528)**	(889,891)	-	(889,891)
Net profit from Reuse sales	**873,032**	**-**	**873,032**	876,849	-	876,849
Garden In a Box sales revenue	**834,488**	**-**	**834,488**	874,027	-	874,027
Less: cost of goods sold	**(339,850)**	**-**	**(339,850)**	(345,519)	-	(345,519)
Net profit from Garden In a Box sales	**494,638**	**-**	**494,638**	528,508	-	528,508
Program service fees	**511,720**	**-**	**511,720**	558,640	-	558,640
Grants and contributions	**343,818**	**273,847**	**617,665**	353,379	216,950	570,329
Interest income	**1,100**	**-**	**1,100**	1,417	-	1,417
In-kind contributions	**243,566**	**-**	**243,566**	197,461	-	197,461
Gain on gift card recognition	**-**	**-**	**-**	49,239	-	49,239
Other Income	**10,721**	**-**	**10,721**	72	-	72
Net assets released from restrictions	**195,017**	**(195,017)**	**-**	297,325	(297,325)	-
Total other revenue and support	**1,305,942**	**78,830**	**1,384,772**	1,457,533	(80,375)	1,377,158
Total support and revenue	**2,673,612**	**78,830**	**2,752,442**	2,862,890	(80,375)	2,782,515
Expenses:						
Program services	**2,143,977**	**-**	**2,143,977**	2,282,862	-	2,282,862
General and administrative	**300,389**	**-**	**300,389**	291,156	-	291,156
Fundraising	**255,906**	**-**	**255,906**	127,829	-	127,829
Total expenses	**2,700,272**	**-**	**2,700,272**	2,701,847	-	2,701,847
Change in net assets	**(26,660)**	**78,830**	**52,170**	161,043	(80,375)	80,668
Net assets, beginning of year	**616,758**	**69,402**	**686,160**	455,715	149,777	605,492
Net assets, end of year	**$ 590,098**	**$ 148,232**	**$ 738,330**	$ 616,758	$ 69,402	$ 686,160

See accompanying notes to the financial statements.

Resource Central

Statements of Functional Expenses

Year Ended December 31,	2019			
	Program Services	**General and Administrative**	**Fundraising**	**Total**
Wages	**$ 1,116,488**	**$ 185,947**	**$ 72,513**	**$ 1,374,948**
Employee benefits	**154,571**	**31,955**	**7,044**	**193,570**
Payroll tax expenses	**89,454**	**13,540**	**5,874**	**108,868**
Employee expenses	**1,360,513**	**231,442**	**85,431**	**1,677,386**
Cost of goods sold	**1,203,378**	**-**	**-**	**1,203,378**
Occupancy	**249,443**	**16,457**	**5,869**	**271,769**
Professional fees	**93,403**	**24,521**	**28,788**	**146,712**
Program materials and prizes	**115,245**	**-**	**-**	**115,245**
Depreciation	**64,147**	**13,896**	**749**	**78,792**
Supplies	**19,411**	**369**	**44,191**	**63,971**
Site maintenance	**42,760**	**1,052**	**335**	**44,147**
Business development	**30,182**	**23**	**64,371**	**94,576**
Travel	**21,607**	**65**	**121**	**21,793**
Staff development	**7,181**	**5,295**	**211**	**12,687**
Insurance	**35,407**	**2,477**	**1,720**	**39,604**
Utilities	**36,613**	**2,341**	**11,098**	**50,052**
Merchant credit card fees	**36,410**	**-**	**1,617**	**38,027**
Interest	**490**	**-**	**-**	**490**
Postage and printing	**14,040**	**42**	**2,840**	**16,922**
Licenses and fees	**973**	**46**	**125**	**1,144**
Dues and subscriptions	**8,376**	**282**	**8,440**	**17,098**
Other	**7,776**	**2,081**	**-**	**9,857**
	3,347,355	**300,389**	**255,906**	**3,903,650**
Less: cost of goods sold	**(1,203,378)**	**-**	**-**	**(1,203,378)**
Total expenses	**$ 2,143,977**	**$ 300,389**	**$ 255,906**	**$ 2,700,272**

See accompanying notes to the financial statements.

Resource Central

Statements of Functional Expenses

Year Ended December 31,	2018			
	Program Services	**General and Administrative**	**Fundraising**	**Total**
Wages	$ 1,100,856	$ 178,965	$ 61,456	$ 1,341,277
Employee benefits	139,326	35,249	5,704	180,279
Payroll tax expenses	96,102	11,699	6,637	114,438
Employee expenses	1,336,284	225,913	73,797	1,635,994
Cost of goods sold	1,235,410	-	-	1,235,410
Occupancy	237,382	18,669	9,258	265,309
Professional fees	107,440	24,011	5,820	137,271
Program materials and prizes	238,495	-	-	238,495
Depreciation	71,481	8,455	1,267	81,203
Supplies	40,237	550	8,949	49,736
Site maintenance	39,192	2,015	967	42,174
Business development	30,532	78	21,301	51,911
Travel	22,545	154	294	22,993
Staff development	4,559	4,212	41	8,812
Insurance	29,475	2,577	1,278	33,330
Utilities	65,213	2,703	1,332	69,248
Merchant credit card fees	34,966	-	1,517	36,483
Interest	718	-	-	718
Postage and printing	8,753	21	1,588	10,362
Licenses and fees	845	68	78	991
Dues and subscriptions	7,695	430	308	8,433
Other	7,050	1,300	34	8,384
	3,518,272	291,156	127,829	3,937,257
Less: cost of goods sold	(1,235,410)	-	-	(1,235,410)
Total expenses	$ 2,282,862	$ 291,156	$ 127,829	$ 2,701,847

See accompanying notes to the financial statements.

Resource Central

Statements of Cash Flows

Year Ended December 31,		**2019**		2018
Cash flows from operating activities:				
Change in net assets	**$**	**52,170**	$	80,668
Adjustments to reconcile change in net assets to net cash flows from operating activities				
Depreciation		**78,792**		81,203
Decrease (increase) in operating assets:				
Grants and contributions receivable		**5,224**		(11,025)
Prepaid expenses and deposits		**(14,180)**		16,046
Inventory		**(21,987)**		(410)
Increase (decrease) in operating liabilities:				
Accounts payable		**(17,134)**		1,388
Accrued payroll		**18,631**		28,413
Deferred revenue		**23,960**		(128,709)
Net cash from operating activities		**125,476**		67,574
Cash flows from investing activities:				
Purchase of property and equipment		**(90,049)**		(74,359)
Net cash used in investing activities		**(90,049)**		(74,359)
Cash flows from financing activities:				
Payments on note payable		**(6,656)**		(5,876)
Net cash used in financing activities		**(6,656)**		(5,876)
Net change in cash and cash equivalents		**28,771**		(12,661)
Cash and cash equivalents, beginning of year		**583,648**		596,309
Cash and cash equivalents, end of year	**$**	**612,419**	$	583,648
Supplemental cash flow information				
Cash paid during the year for interest	**$**	**444**	$	718

See accompanying notes to the financial statements.

1. NATURE OF ACTIVIES

Resource Central (formerly, Center for Resource Conservation) (the "Organization") is a community based non-profit organization incorporated in 1976 with a mission to put conservation into action. Its vision is thriving communities living sustainably. Currently, the Organization serves homeowners, schools, small businesses and municipalities throughout Colorado Front Range Communities.

Through sustainability programs that impact water and energy consumption and its retail operation that diverts materials from the landfill, the Organization is evolving as a social enterprise, identifying market-driven opportunities to expand and improve its reach and impact, and engage more directly with residents.

The Organization is primarily funded by the programs below; sales of used building materials, drought-tolerant gardens, known as the Garden in a Box program, and conservation program service fees.

Garden In A Box: Offers professionally designed, waterwise garden kits tailor made for Colorado yards. The kits are affordable, do it yourself gardens that are easy to use and help save water.

Materials Reuse: Reselling donated building materials at discounted prices to help reduce the amount materials that go to landfills.

Renew Our Schools: Helping students and schools conserve energy and hosting competitions to encourage schools to compete in saving the most energy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

The Organization considers all highly liquid investments and securities with original maturities of three months or less at the time of purchase to be cash equivalents. At times, the Organization's bank account balances may exceed federally insured limits. As of December 31, 2019, there were funds of $107,000 held in excess of the insured limits. Management monitors the reputation of the financial institutions with which it associates and believes the Organization's risk is negligible. The Organization has not experienced any losses in such accounts.

Grants and Contributions Receivable

Based on the judgment of the Organization and past collection histories, no allowance for doubtful accounts was deemed necessary as of December 31, 2019 and 2018. The Organization does not require collateral on grants or contributions receivable. As of December 31, 2019 and 2018, there were two and three donors, respectively, which individually accounted for more than 10% of the grants and contributions receivable and totaled 89% and 85%, respectively. All receivables are expected to be collected within 12 months.

Conditional promises to give are not included in support revenue until the conditions are substantially met. In November 2017, Boulder County ballot initiative 2M passed. This includes funding of $1,400,000 for capital improvements and build out of a Zero Waste Community Center in Boulder. These funds are conditional on the Organization raising funds of $1,400,000 for this project. No portions of the funds were recorded in the financial statements as of December 31, 2019 and 2018 as conditions had not been met.

Property and Equipment

Property and equipment acquired with an initial value of $5,000 or more are capitalized and stated at cost, less accumulated depreciation. Depreciation of furniture, equipment and leasehold improvements is computed using the straight-line method over the estimated useful lives of three to ten years, or lease term if shorter. Depreciation of tool library assets is computed using the straight-line method over the estimated useful lives of five years. The fair value of donated assets is similarly capitalized.

Expenditures for renewals and betterments in excess of $5,000 that materially extend the life of an asset or increase its productivity are capitalized. Expenditures for repairs and maintenance that do not extend asset lives or improve productivity are expensed as incurred. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized.

Inventory

Inventory consists of donated, used building materials, stated at fair value at the time of donation, and purchased merchandise, stated at the net realizable value.

Accrued Payroll

Accrued payroll consists of time worked and not yet paid and accrued vacation time earned but not yet used by employees.

Use of Estimates

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material.

Revenue from Contracts with Customers

On January 1, 2019, the Organization adopted Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* and all the related amendments (the "new revenue standard") with respect to all contracts. The Organization accounts for contract revenue in accordance with the new revenue standard, which requires the Organization to recognize contract revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services. The Organization adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

Additionally, on January 1, 2019 the Organization adopted ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The new guidance aids in the classification of contributions and exchange transactions. The Organization adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

For the year ended December 31, 2019, the Organization determined sales related to materials resale and a portion of revenue received for events sponsorships and tickets represent exchange transactions and must be recognized under the new revenue standard. The Organization recognized revenues from the sale of materials at a point in time when the sale occurs and there is a transfer of goods to the customer. The Organization has no further performance obligations related to the sales of materials, given returns are not accepted and there are no additional services required by the Organization after the initial sale. Revenue from sponsorships at events and ticket sales to events is recognized at a point in time, when the event took place. Meals and entertainment are the only performance obligations of more than nominal value for these contracts. Event ticket purchases and sponsorship fees received prior to the event taking place were recognized as deferred revenue and will be recognized in future periods when the event occurs.

There were no other significant contract revenues during the years ended December 31, 2019 and 2018.

Program Service Fee Revenue and Deferred Revenue

Program service fees comprise of grant revenue from various municipalities that provide funding to the Organization for services provided to community members aimed at conserving resources and reducing water use. These revenues are recognized when the program or service occurs and the beneficiary of the program receives the services. These were determined to not be exchange transactions and therefore are recognized in accordance with ASC 958 *Not-for-Profit Entities, Revenue Recognition* as contribution revenue. Deferred revenue consists of outstanding gift cards and funds received for conditional contributions. During 2017, the Organization ceased issuance of gift cards. During the year end December 31, 2018, outstanding gift cards of approximately $50,000 were deemed to be unclaimed property and revenue was realized. Revenue from conditional contributions is recognized when the conditions have been met.

Contributions

Contributions are recognized when cash, other assets, a decrease in liabilities or expense, or an unconditional promise to give is received. In accordance with ASC 958 *Not-for-Profit Entities, Revenue Recognition,* contributions received are recorded as contributions with donor restrictions or without donor restrictions depending on the existence or nature of donor restrictions.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the assets are to be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services, Equipment and Materials

Donated services are reported as contributions when services create or enhance nonfinancial assets or would be purchased if they require specialized skills and are provided by individuals possessing those skills. Donated equipment and materials are recorded at estimated fair values as revenue and cost of goods sold, expense, or capitalized assets, depending on the nature of the donation.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services or the nature of the expense incurred. The expenses in this category include occupancy, professional fees, Renew Our School prizes, depreciation, supplies, site maintenance, business development, travel, staff development, insurance, utilities, merchant credit card fees, interest, postage and printing, licenses and fees, dues and subscriptions, and other.

Advertising Expense

Advertising costs are expensed when incurred and totaled approximately $19,000 and $21,000 for the years ended December 31, 2019 and 2018, respectively, and are included in business development costs on the statement of functional expenses.

New Accounting Pronouncements

In February of 2016, the FASB issued ASU 2016-02, *Topic 842, Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2021 and interim periods with fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adoption of this standard on its financial statements.

Income Taxes and Tax Status

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and under the Colorado Income Tax Act of 1964 (as amended). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. Years before 2016 are no longer subject to tax authority examinations.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets at:

December 31,		**2019**		2018
Cash and cash equivalents	**$**	**612,419**	$	583,648
Grants and contributions receivable		**23,942**		29,166
Financial assets available to meet general expenditures over the next year	**$**	**636,361**	$	612,814

The Organization's long-term goal is generally to build financial assets to meet 180 days of operating expenses, which is approximately $1.3 million. The Organization currently has approximately 60 days of reserves. The Organization also has a benchmark cash reserve of at least 125% of the following months projected cash outflow. The Organization has minimal debt and access to a line of credit, as defined in Notes 5 and 6, and a portion of the program expenses are incurred as part of reimbursable grants.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

December 31,		**2019**		2018
Furniture and equipment	**$**	**409,100**	$	400,760
Leasehold improvements		**21,842**		21,842
Tool library		**43,921**		43,921
Vehicle		**33,182**		33,182
Software		**290,555**		208,846
		798,600		708,551
Less: accumulated depreciation		**(620,208)**		(541,416)
Property and equipment, net	**$**	**178,392**	$	167,135

5. LINE OF CREDIT

The Organization has a $150,000 unsecured line of credit with a financial institution, which requires annual renewal. The line accrues interest at an annual rate of 3.22% per annum above the prime rate (7.97% at December 31, 2019) and requires the greater of $100 or accrued interest to be paid monthly. At December 31, 2019 and 2018, there was no balance outstanding on the line of credit. During the years ended December 31, 2019 and 2018, no advances were made on the line of credit.

6. NOTE PAYABLE

On January 2, 2017, the Organization entered into a note to finance a vehicle. The note requires monthly principal payments of $550 beginning in February 2017 and expires in January 2021. The note accrues interest at an annual rate of 4.30% and is secured by the vehicle. The balance as of December 31, 2019 and 2018 was $6,455 and $13,111, respectively.

Future principal maturities under this note are as follows:

Year Ended December 31,		
2020	$	5,907
2021		548
Total principal payments on note payable	$	6,455

7. COMMITMENTS

Land and Building Lease

In 2010, the Organization entered into a lease agreement with the City of Boulder for a new site for its Material Reuse program. Under the lease, the Organization occupies land, buildings and certain improvements for $1 a year. The lease term ended and was extended to December 31, 2028. The estimated fair market value of this leased space for each of the years ended December 31, 2019 and 2018 was $175,000, this amount is recorded as in-kind contribution revenue on the statement of activities, as reflected in Note 9.

Administration Building Lease

The Organization has also entered into a lease agreement for its administrative location. The lease commenced June 1, 2013, and requires monthly payments ranging from $3,675 to $6,730, plus estimated costs for insurance and property taxes through expiration in March 2023. Rental expense under this lease agreement was $74,553 and $67,767 for the years ended December 31, 2019 and 2018, respectively.

Future minimum lease payments under this lease are as follows:

Year Ending December 31,		
2020	$	76,407
2021		78,318
2022		80,270
2023		20,190
Total	$	255,185

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

December 31,		**2019**		2018
Renew Our Schools	**$**	**91,211**	$	45,083
Materials Reuse		**1,950**		13,500
Water Conservation		**55,071**		10,819
	$	**148,232**	$	69,402

Net assets with donor restrictions released from restriction consisted of the following:

Year Ended December 31,		**2019**		2018
Renew Our Schools	**$**	**123,872**	$	243,488
Materials Reuse		**27,550**		1,500
Water Conservation		**42,088**		46,422
Conservation for All		**1,507**		5,915
	$	**195,017**	$	297,325

9. IN-KIND CONTRIBUTIONS

Support from donated services, equipment and materials for the years ended December 31, 2019 and 2018, consisted of the following:

Year Ended December 31,	**2019**	2018
Used building materials for resale	**$ 819,559**	$ 855,373
Rent - Resource Central Boulder	**175,000**	175,000
In-kind services	**24,054**	-
Supplies and materials	**44,512**	22,461
Total	**$ 1,063,125**	$ 1,052,834

10. RETIREMENT PLAN

The Organization sponsors a 403(b) Plan covering all employees of the Organization. The Organization matches 50% of employee contributions up to 5%. The Organization's contributions for the years ended December 31, 2019 and 2018, were $17,568 and $15,336, respectively.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 29, 2020, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, other than those disclosure below.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, community partners, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020. See Note 3.

As a result of the stimulus efforts by the U.S. Government related to the COVID-19 outbreak, the Organization applied for and received a Paycheck Protection Program through the Small Business Association. The loan may be forgiven if loan funds are used for approved expenses and the Organization maintains its workforce; however, the benefit is unknown to the Organization at the date the financial statements were ready to be issued.