

**MIRIAM'S PROMISE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**  
**(WITH INDEPENDENT AUDITORS' REPORT)**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Miriam's Promise

We have audited the accompanying financial statements of Miriam's Promise (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Managements' 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Miriam's Promise as of December 31, 2020 and 2019, 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.

*Dempsey Vantrease & Follis PLLC*  
Murfreesboro,  
May 24, 2021

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2020 and 2019

|   | 2020              | 2019             |
|---|-------------------|------------------|
| <b>ASSETS</b>   |                   |                  |
| Cash  | \$ 111,214        | \$ 42,043        |
| Accounts receivable (net of allowance for doubtful accounts<br>of \$1,000 as of December 31, 2020 and 2019) | 11,820            | 10,374           |
| Note receivable - employee  | 3,272             | 4,207            |
| Prepaid expense   | 7,832             | 7,632            |
| Other assets  | 5,943             | 19,743           |
| Property and equipment  | 7,799             | 11,222           |
| <b>Total Assets</b>   | <b>\$ 147,880</b> | <b>\$ 95,221</b> |
| <b>LIABILITIES</b>  |                   |                  |
| Accounts payable and deferred revenue   | \$ 18,503         | \$ 22,467        |
| Accrued expenses  | 14,344            | 16,018           |
| <b>Total Liabilities</b>  | <b>32,847</b>     | <b>38,485</b>    |
| <b>NET ASSETS</b>   |                   |                  |
| Without donor restrictions  | 115,033           | 48,236           |
| With donor restrictions   | -                 | 8,500            |
|   | <b>115,033</b>    | <b>56,736</b>    |
| <b>Total Liabilities and Net Assets</b>   | <b>\$ 147,880</b> | <b>\$ 95,221</b> |

See accompanying notes to the financial statements.

**STATEMENTS OF ACTIVITIES**

Years Ended December 31, 2020 and 2019

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total<br>2020     | 2019             |
|---|-------------------------------|----------------------------|-------------------|------------------|
| <b>REVENUES AND SUPPORT</b>                 |                               |                            |                   |                  |
| Contributions                               | \$ 174,525                    | \$ -                       | \$ 174,525        | \$ 201,964       |
| Grants                                      | 18,216                        | -                          | 18,216            | 12,765           |
| Special event revenue                       | 141,952                       | -                          | 141,952           | 175,791          |
| Program revenue- adoption related fees      | 85,657                        | -                          | 85,657            | 113,225          |
| Paycheck Protection Program                 | 87,065                        | -                          | 87,065            | -                |
| Other                                       | 238                           | -                          | 238               | 4,242            |
| Net assets released from donor restrictions | 8,500                         | (8,500)                    | -                 | -                |
| <b>Total Revenues</b>                       | <b>516,153</b>                | <b>(8,500)</b>             | <b>507,653</b>    | <b>507,987</b>   |
| <b>EXPENSES</b>                             |                               |                            |                   |                  |
| Program service                             |                               |                            |                   |                  |
| Adoption expenses                           | 206,484                       | -                          | 206,484           | 284,303          |
| Pregnancy counseling                        | 100,344                       | -                          | 100,344           | 112,709          |
| Supporting expenses                         |                               |                            |                   |                  |
| Management and general                      | 70,989                        | -                          | 70,989            | 87,414           |
| Fundraising                                 | 71,539                        | -                          | 71,539            | 112,997          |
| <b>Total Expenses</b>                       | <b>449,356</b>                | <b>-</b>                   | <b>449,356</b>    | <b>597,423</b>   |
| <b>Increase (decrease) in Net Assets</b>    | <b>66,797</b>                 | <b>(8,500)</b>             | <b>58,297</b>     | <b>(89,436)</b>  |
| Net Assets at Beginning of Year             | 48,236                        | 8,500                      | 56,736            | 146,172          |
| <b>Net Assets at End of Year</b>            | <b>\$ 115,033</b>             | <b>\$ -</b>                | <b>\$ 115,033</b> | <b>\$ 56,736</b> |

See accompanying notes to the financial statements.

**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2020 and 2019

|  | <u>2020</u>              | <u>2019</u>             |
|--|--------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                          |                         |
| Increase (decrease) in net assets  | \$ 58,297                | \$ (89,436)             |
| Adjustments to reconcile decrease in net assets to net cash used in operating activities |                          |                         |
| Depreciation expense   | 3,423                    | 2,340                   |
| (Increase) decrease in:  |                          |                         |
| Accounts receivable  | (1,446)                  | 22,384                  |
| Note receivable - employee   | 935                      | (4,207)                 |
| Prepaid expense  | (200)                    | (3,248)                 |
| Other assets   | 13,800                   | (3,816)                 |
| Decrease in:   |                          |                         |
| Accounts payable and accrued expenses  | <u>(5,638)</u>           | <u>(30,761)</u>         |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>   | <u>69,171</u>            | <u>(106,744)</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES -</b>  |                          |                         |
| Purchases of property and equipment  | <u>-</u>                 | <u>(6,282)</u>          |
| <b>NET INCREASE (DECREASE) IN CASH</b>   | 69,171                   | (113,026)               |
| CASH, BEGINNING OF YEAR  | <u>42,043</u>            | <u>155,069</u>          |
| CASH, END OF YEAR  | <u><u>\$ 111,214</u></u> | <u><u>\$ 42,043</u></u> |

See accompanying notes to the financial statements.

Miriam's Promise

**STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2020

|                           | Program Services         |                          | Supporting Services     |                         |                          |
|---------------------------|--------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
|                           | Adoption<br>Services     | Pregnancy<br>Counseling  | Management &<br>General | Fundraising             | Total                    |
| Salaries and wages        | \$ 113,741               | \$ 44,079                | \$ 30,695               | \$ 32,425               | \$ 220,940               |
| Payroll taxes             | 7,767                    | 2,913                    | 2,427                   | 3,075                   | 16,182                   |
| Employee benefits         | 19,057                   | 7,147                    | 5,955                   | 7,544                   | 39,703                   |
|                           | <u>140,565</u>           | <u>54,139</u>            | <u>39,077</u>           | <u>43,044</u>           | <u>276,825</u>           |
| Advertising               | 356                      | 355                      | -                       | -                       | 711                      |
| Bank charges              | 967                      | -                        | 967                     | 1,935                   | 3,869                    |
| Conferences and events    | -                        | -                        | -                       | 12,097                  | 12,097                   |
| Contract services         | 2,779                    | 2,779                    | 2,779                   | 2,778                   | 11,115                   |
| Depreciation expense      | 1,438                    | 959                      | 513                     | 513                     | 3,423                    |
| Dues and subscriptions    | 999                      | 998                      | -                       | -                       | 1,997                    |
| Equipment Rental          | 2,695                    | 1,077                    | 809                     | 809                     | 5,390                    |
| Family aid                | -                        | 5,225                    | -                       | -                       | 5,225                    |
| Insurance                 | 11,849                   | 11,849                   | 5,925                   | -                       | 29,623                   |
| License and fees          | 728                      | -                        | -                       | -                       | 728                      |
| Maintenance               | 9,961                    | 6,641                    | 3,557                   | 3,557                   | 23,716                   |
| Miscellaneous expense     | 272                      | 272                      | 271                     | 271                     | 1,086                    |
| Other                     | 120                      | 120                      | 1,442                   | 721                     | 2,403                    |
| Postage and shipping      | 817                      | 271                      | 817                     | 817                     | 2,722                    |
| Printing and publications | 176                      | 132                      | 43                      | 88                      | 439                      |
| Professional fees         | 5,984                    | -                        | 8,977                   | -                       | 14,961                   |
| Rent                      | 21,000                   | 12,600                   | 4,200                   | 4,200                   | 42,000                   |
| Supplies                  | 380                      | 179                      | 390                     | 106                     | 1,055                    |
| Telephone                 | 3,587                    | 2,152                    | 1,076                   | 359                     | 7,174                    |
| Training                  | 265                      | 265                      | 35                      | 23                      | 588                      |
| Travel and lodging        | <u>1,546</u>             | <u>331</u>               | <u>111</u>              | <u>221</u>              | <u>2,209</u>             |
| <b>TOTAL EXPENSES</b>     | <u><u>\$ 206,484</u></u> | <u><u>\$ 100,344</u></u> | <u><u>\$ 70,989</u></u> | <u><u>\$ 71,539</u></u> | <u><u>\$ 449,356</u></u> |

See accompanying notes to the financial statements.

Miriam's Promise

**STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2019

|                           | Program Services         |                          | Supporting Services     |                          |                              |                          |
|---------------------------|--------------------------|--------------------------|-------------------------|--------------------------|------------------------------|--------------------------|
|                           | Adoption<br>Services     | Pregnancy<br>Counseling  | Management &<br>General | Fundraising              | Direct Benefits<br>to Donors | Total                    |
| Salaries and wages        | \$ 169,112               | \$ 53,309                | \$ 44,537               | \$ 46,268                | \$ -                         | \$ 313,226               |
| Payroll taxes             | 12,513                   | 4,692                    | 3,910                   | 4,953                    | -                            | 26,068                   |
| Employee benefits         | 23,275                   | 8,728                    | 7,273                   | 9,213                    | -                            | 48,489                   |
|                           | <u>204,899</u>           | <u>66,729</u>            | <u>55,721</u>           | <u>60,434</u>            | <u>-</u>                     | <u>387,783</u>           |
| Advertising               | 970                      | 969                      | -                       | -                        | -                            | 1,939                    |
| Bank charges              | 1,024                    | -                        | 1,024                   | 2,048                    | -                            | 4,095                    |
| Conferences and events    | -                        | -                        | -                       | 34,172                   | -                            | 34,172                   |
| Contract services         | 2,826                    | 2,826                    | 2,826                   | 2,826                    | -                            | 11,305                   |
| Depreciation expense      | 983                      | 655                      | 351                     | 351                      | -                            | 2,340                    |
| Dues and subscriptions    | 1,275                    | 1,274                    | -                       | -                        | -                            | 2,549                    |
| Equipment Rental          | 2,653                    | 1,061                    | 796                     | 796                      | -                            | 5,305                    |
| Family aid                | -                        | 4,564                    | -                       | -                        | -                            | 4,564                    |
| Insurance                 | 8,292                    | 8,292                    | 4,146                   | -                        | -                            | 20,731                   |
| License and fees          | 10,851                   | -                        | -                       | -                        | -                            | 10,851                   |
| Maintenance               | 10,394                   | 6,929                    | 3,712                   | 3,712                    | -                            | 24,747                   |
| Miscellaneous expense     | 572                      | 572                      | 572                     | 572                      | -                            | 2,289                    |
| Other                     | 158                      | 158                      | 1,892                   | 946                      | -                            | 3,154                    |
| Postage and shipping      | 1,087                    | 362                      | 1,087                   | 1,087                    | -                            | 3,623                    |
| Printing and publications | 707                      | 530                      | 177                     | 354                      | -                            | 1,768                    |
| Professional fees         | 5491                     | -                        | 8,236                   | -                        | -                            | 13,727                   |
| Rent                      | 20,200                   | 12,120                   | 4,040                   | 4,040                    | -                            | 40,400                   |
| Supplies                  | 1,357                    | 641                      | 1,395                   | 377                      | -                            | 3,769                    |
| Telephone                 | 2,359                    | 1,415                    | 708                     | 236                      | -                            | 4,718                    |
| Training                  | 2,358                    | 2,358                    | 314                     | 210                      | -                            | 5,239                    |
| Travel and lodging        | 5,849                    | 1,253                    | 418                     | 836                      | -                            | 8,356                    |
| <b>TOTAL EXPENSES</b>     | <u><u>\$ 284,304</u></u> | <u><u>\$ 112,709</u></u> | <u><u>\$ 87,414</u></u> | <u><u>\$ 112,996</u></u> | <u><u>\$ -</u></u>           | <u><u>\$ 597,423</u></u> |

See accompanying notes to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

### NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Miriam's Promise (the "Organization") is a non-profit Tennessee corporation. The Organization was established as an independent entity on January 1, 2003 after spinning off from Holston Home for Children. The mission of the Organization is to ensure the well-being of the child by nurturing individuals and families. This mission is met through programs which include pregnancy counseling, assistance to pregnant women, adoption services and parenting coaching for parents that have adopted children from "hard places."

#### Basis of Accounting

The financial statements of the Organization are presented on the accrual basis of accounting.

#### Recently Adopted Accounting Standard

In May 2014, FASB issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). The revenue recognition standard eliminates the transaction- and industry-specific revenue recognition guidance under current generally accepted accounting principles "GAAP" and replaces it with a principle-based approach for determining revenue recognition. The core principle of the revenue recognition standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services.

The FASB also issued the following amendments to ASU 2014-09 to provide clarification on the guidance: ASU 2015-14, Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date, ASU 2016-08, Revenue from Contracts with Customers (Topic 606) – Principal versus Agent Considerations (Reporting Revenue Gross Versus Net), and ASU 2016-10, Revenue from Contracts with Customers (Topic 606) – Identifying Performance Obligations and Licensing, and ASU 2016-12, Revenue from Contracts with Customers (Topic 606) – Narrow-Scope Improvements and Practical Expedients.

The Organization adopted the provisions of ASU 2014-09 and all of the related amendments effective January 1, 2019 which did not have material effects on net assets with or without donor restrictions.

#### Basis of Presentation

Net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

### NOTE A — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Accounts Receivable

Accounts receivable are stated at the amount that management expects to collect on outstanding balances. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects the Organization's best estimate of the amounts that will not be collected. The allowance is estimated based on the Organization's historical loss experience, and existing economic conditions. Once management determines a balance cannot be collected, it is written off through a charge to the allowance for doubtful accounts.

#### Property and equipment

It is the Organization's policy to capitalize property and equipment purchased at cost. Maintenance and ordinary repairs are expensed. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Depreciation is provided under the straight-line method based on estimated service lives of 5 years. When property and equipment is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in net assets without donor restrictions.

#### Revenue Recognition

Contributions and grants received are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by the Organization are considered contributions.

Contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as net assets without donor restrictions.

Special event and program revenue – adoption related fees received are not recognized as revenue until the revenue is earned, which is at the time of the event or when the services are provided, and the Organization does not believe it is required to provide additional goods or services to fulfill its related performance obligation. Adoption services have multiple performance obligations and revenue is recognized as each performance obligation is satisfied. Significant fees are nonrefundable.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 and 2019

### NOTE A — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributed services and other non-cash donations

Individuals may volunteer their time and perform a variety of tasks that assist the Organization at fundraising activities. As of December 31, 2020 and 2019, these services did not meet the criteria for recognition as contributed services and have not been recorded in the financial statements.

Non-cash donations such as diapers, baby formula, etc. that the Organization uses to support expectant mothers and birthparents are recorded as revenue at fair market value and a related expense is recorded as the items are used. In 2020, \$4,625 of such donations or expenses were used.

#### Promises to give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of December 31, 2020, and 2019, there were no outstanding promises to give.

#### Income taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and classification by the Internal Revenue Service as an other than private foundation. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

As of December 31, 2020 and 2019, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Organization files a U.S. Federal information tax return. The Organization is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended December 31, 2020, 2019, and 2018.

#### Advertising

The costs of advertising are expensed as incurred.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 and 2019

**NOTE A — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Paycheck Protection Program

During 2020, the Company received \$87,065 from the Small Business Administration ("SBA") for the Paycheck Protection Program ("PPP"). The Organization obtained forgiveness on repayment of the Paycheck Protection Program funds from the SBA and has recognized the related revenue as of December 31, 2020.

**NOTE B - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

|                          | <u>2020</u>     | <u>2019</u>      |
|--------------------------|-----------------|------------------|
| Furniture and equipment  | \$ 34,822       | \$ 34,822        |
| Leasehold improvements   | <u>8,602</u>    | <u>8,602</u>     |
|                          | 43,424          | 43,424           |
| Accumulated depreciation | <u>(35,625)</u> | <u>(32,202)</u>  |
|                          | <u>\$ 7,799</u> | <u>\$ 11,222</u> |

Depreciation expense for 2020 and 2019 is \$3,423 and \$2,339, respectively.

**NOTE C – OPERATING LEASE**

During August 2019, the Organization extended the leasing arrangement for office space that is considered an operating lease. The extended lease agreement matures August 2021 and requires monthly rent in the amount of \$3,500. The previous agreement, maturing in August 2019, required monthly rent in the amount of \$3,300. Total rent expense for the years ended December 31, 2020 and 2019 was \$42,000 and \$40,400, respectively.

The following schedule of future minimum payments under the non-cancelable operating lease is as follows:

|                             |                  |
|-----------------------------|------------------|
| Year ending<br>December 31, |                  |
| <u>2021</u>                 | <u>\$ 28,000</u> |

## **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 and 2019

### **NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. In general, most expenses can easily be identified and charged to a specific program. Some expenses such as depreciation, insurance, utilities, etc. are allocated on a reasonable basis that is consistently applied usually based upon square footage.

### **NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position were \$132,250. In general, the Organization as part of its liquidity management tries to structure its financial assets to be available as expenditures and liabilities come due.

As part of the Organization's liquidity management, cash in excess of daily requirements would be invested in short term investments such as savings or money market accounts with local financial institutions.

### **NOTE F - CONCENTRATION OF RISK**

The Organization is highly dependent on revenues from fees for services, church giving, event revenue, general contributions and grants from donors in the Middle Tennessee area and is thus impacted by the local economic environment.

### **NOTE G - RETIREMENT PLAN**

The Organization sponsors a defined contribution IRC 403(b) plan (the "Plan") for its employees. The Plan covers substantially all employees. The Organization contributed \$3,890 and \$8,087 in 2020 and 2019, respectively, to the Plan.

### **NOTE H – MANAGEMENT'S PLANS FOR FUTURE OPERATIONS**

As shown in the accompanying financial statements, the Organization incurred a net loss during the years ended December 31, 2020 and 2019. Revenue, especially for adoption services, has also been on decline during 2020 and 2019. Those factors, as well as the uncertain conditions that the Organization faces through the COVID-19 pandemic create uncertainty about the Organization's ability to continue as a going concern. Management of the Organization has evaluated these conditions and determined that a reduction of expenses, downsize of staff, and hiring a consultant through the Center for Nonprofit Management for the development of long-term fundraising and revenue strategic plans will alleviate this uncertainty. In addition, subsequent to December 31, 2020 the Organization obtained an additional PPP loan of \$87,000 under the SBA round two funding. Management anticipates the Organization will meet the eligibility requirements to also have this loan forgiven in 2021.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 and 2019

**NOTE I - SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions that occurred between December 31, 2020 and May 24, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. No such events or transactions were noted requiring recognition or disclosure in the financial statements.