Hope International Ministries, Inc.

Financial Statements

June 30, 2019 and 2018

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Independent Auditor's Report

Board of Directors
Hope International Ministries, Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Hope International Ministries, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018; the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2019 and the six months ended June 30, 2018; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 the 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 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 Hope International Ministries, Inc. as of June 30, 2019 and 2018 and the changes in its net assets and its cash flows for the year ended June 30, 2019 and the six months ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer & Stuart, P.A.

St. Petersburg, Florida
July 28, 2020

	June 30	
	2019	2018
Assets		
Current assets		
Cash	$ 2,931,855	$ 2,518,167
Investments	1,077,814	1,076,792
Current portion of note receivable	2,100	2,096
Other assets	1,710	1,500
Total current assets	4,013,479	3,598,555
Property and equipment, net of accumulated depreciation	7,023,465	5,584,949
Investments	107,668	105,654
Notes receivable, net of current portion	2,349	3,228
Total assets	$ 11,146,961	$ 9,292,386
Liabilities and net assets		
Current liabilities		
Current maturities of long-term debt	$ 36,088	$ 34,848
Accounts payable	36,323	10,829
Accrued expenses	106,604	147,993
Due to related parties	-	16,795
Total current liabilities	179,015	210,465
Long-term debt, net of current maturities and debt issuance costs	696,753	731,171
Total liabilities	875,768	941,636
Net assets		
Without donor restrictions	8,148,897	6,436,871
With donor restrictions	2,122,296	1,913,879
Total net assets	10,271,193	8,350,750
Total liabilities and net assets	$ 11,146,961	$ 9,292,386

Hope International Ministries, Inc.
Statement of Activities for the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains (losses), and other support			
Contributions	$ 2,881,688	$ 1,510,744	$ 4,392,432
In-kind contributions	1,775,729	-	1,775,729
Interest and dividends	12,010	-	12,010
Realized and unrealized gain on investments	69,249	5,604	74,853
Events, net	(45,272)	-	(45,272)
Other	52,578	-	52,578
Net assets released from restriction	1,307,931	(1,307,931)	-
Total revenue, gains, and other support	6,053,913	208,417	6,262,330
Expenses			
Program services	3,967,436	-	3,967,436
Support services			
Administrative	281,664	-	281,664
Fundraising	92,787	-	92,787
Total expenses	4,341,887	-	4,341,887
Change in net assets	1,712,026	208,417	1,920,443
Net assets at beginning of year	6,436,871	1,913,879	8,350,750
Net assets at end of year	$ 8,148,897	$ 2,122,296	$ 10,271,193

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	$ 950,675	$ 248,544	$ 1,199,219
In-kind contributions	251,369	-	251,369
Interest and dividends	5,169	-	5,169
Realized and unrealized gain on investments	6,513	225	6,738
Other	10,100	-	10,100
Net assets released from restriction	226,861	(226,861)	-
Total revenue, gains, and other support	1,450,687	21,908	1,472,595
Expenses			
Program services	1,212,190	-	1,212,190
Support services			
Administrative	180,983	-	180,983
Fundraising	32,319	-	32,319
Total expenses	1,425,492	-	1,425,492
Change in net assets	25,195	21,908	47,103
Net assets at beginning of period	6,411,676	1,891,971	8,303,647
Net assets at end of period	$ 6,436,871	$ 1,913,879	$ 8,350,750

	Program Services	Support Services: Administrative	Support Services: Fundraising	Support Services: Total Support Services	Total Expenses
Salaries and wages	$ 663,398	$ 66,669	$ 42,937	$ 109,606	$ 773,004
Employee benefits	236,082	26,326	15,028	41,354	277,436
Payroll taxes	61,698	6,865	3,220	10,085	71,783
Total salaries and related expenses	961,178	99,860	61,185	161,045	1,122,223
Children's programs	192,567	-	-	-	192,567
School	48,423	-	-	-	48,423
Occupancy	192,968	7,281	-	7,281	200,249
Repairs and maintenance	167,192	-	-	-	167,192
Travel	94,194	-	-	-	94,194
Professional fees	-	102,743	-	102,743	102,743
Insurance	105,452	-	-	-	105,452
Information technology	14,770	10,315	-	10,315	25,085
Office expenses	74,234	6,965	1,045	8,010	82,244
Fees and dues	18,301	-	8,940	8,940	27,241
In-kind expenses	1,775,729	-	-	-	1,775,729
Other	9,806	17,144	21,617	38,761	48,567
Total expenses before depreciation and interest	3,654,814	244,308	92,787	337,095	3,991,909
Depreciation	283,561	37,356	-	37,356	320,917
Interest	29,061	-	-	-	29,061
Total expenses	$ 3,967,436	$ 281,664	$ 92,787	$ 374,451	$ 4,341,887

	Program Services	Support Services: Administrative	Support Services: Fundraising	Support Services: Total Support Services	Total Expenses
Salaries and wages	$ 298,523	$ 32,881	$ 21,406	$ 54,287	$ 352,810
Employee benefits	120,233	15,340	-	15,340	135,573
Payroll taxes	31,720	2,765	3	2,768	34,488
Total salaries and related expenses	450,476	50,986	21,409	72,395	522,871
Children's programs	67,178	-	-	-	67,178
Junior/senior expenses	2,360	-	-	-	2,360
School	8,490	-	-	-	8,490
Occupancy	91,262	2,218	-	2,218	93,480
Repairs and maintenance	54,654	-	-	-	54,654
Travel	48,109	-	-	-	48,109
Professional fees	-	25,680	-	25,680	25,680
Insurance	51,630	-	-	-	51,630
Information technology	6,057	4,848	-	4,848	10,905
Office expenses	37,862	3,508	-	3,508	41,370
Fees and dues	3,959	-	4,250	4,250	8,209
In-kind expenses	251,369	-	-	-	251,369
Bad debt	-	90,000	-	90,000	90,000
Other	13,649	3,265	6,660	9,925	23,574
Total expenses before depreciation and interest	1,087,055	180,505	32,319	212,824	1,299,879
Depreciation	110,484	478	-	478	110,962
Interest	14,651	-	-	-	14,651
Total expenses	$ 1,212,190	$ 180,983	$ 32,319	$ 213,302	$ 1,425,492

	Year Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities		
Change in net assets	$ 1,920,443	$ 47,103
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	320,917	110,962
Amortization of loan costs	1,670	614
Bad debt expense	-	90,000
Realized and unrealized gain on investments	(74,852)	(6,738)
Contribution of property and equipment	(544,577)	-
(Increase) decrease in operating assets		
Other assets	(210)	(1,500)
Due to related parties	(16,795)	1,006
Increase (decrease) in operating liabilities		
Accounts payable	25,494	(15,798)
Accrued expenses	(41,389)	56,771
Net cash provided by operating activities	1,590,701	282,420
Cash flows from investing activities		
Purchases of investments	(1,000,799)	-
Proceeds from sale of investments	1,072,615	-
Purchases of property and equipment	(1,214,856)	(356,622)
Proceeds from note receivable	875	250
Net cash used by investing activities	(1,142,165)	(356,372)
Cash flows from financing activities		
Principal payments on long-term debt	(34,848)	(17,083)
Net increase (decrease) in cash	413,688	(91,035)
Cash at beginning of period	2,518,167	2,609,202
Cash at end of period	$ 2,931,855	$ 2,518,167
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 27,833	$ 14,037
Supplemental disclosure of non-cash investing activities:		
Contribution of property and equipment	$ 544,577	$ -

Note A - Organization

Organization and Purpose

Hope International Ministries, Inc. (the Organization) is a not-for-profit corporation founded in 1968 to provide a Christian home and education for children who have come from broken homes and families. The Organization has cared for nearly 5,000 abandoned, abused, neglected, and orphaned children from newborn through 18 years old. These children have come from the United States and around the world.

The Organization is located in Tampa, Florida on 55 wooded acres of land. The campus consists of dormitories for the boys and girls that can house a total of 80 children, as well as several 4,000 square foot cottages that care for younger children and allow siblings to live together. The children live in a family atmosphere with house parents who give guidance and encouragement.

Hope Christian School is also located on the property and is accredited by the state of Florida, providing a private Christian education to children from nursery through 12th grade.

The Organization does not receive state or federal funding, but is supported entirely by churches, private individuals, businesses, clubs, and other organizations.

Change in Fiscal Year

On February 8, 2018, the board of directors authorized a change of the Organization's fiscal year from December 31 to June 30. In accordance with this change, the statements of activities, functional expenses, and cash flows for the period ended June 30, 2018 cover a period of six months.

Note B - Summary of Significant Accounting Policies

Basis of Presentation

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation. The reclassifications had no effect on previously reported changes in net assets.

Cash

Cash consists of cash on hand in checking and savings accounts.

Notes Receivable

Notes receivable are stated at cost less an allowance for doubtful accounts. Management's determination of the allowance is based on an evaluation of past collection history. Management provides for probable uncollectable amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Management provided no allowance for notes receivable as of June 30, 2019 and 2018.

Investments

Investments are recorded and carried at fair value. Donated investments are recorded at fair value at the time of receipt. Cash and money market accounts designated for long-term purposes are classified as investments.

Fair Value

The Organization defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. The Organization measures investments at fair value on a recurring basis.

The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

Level 1 - Unadjusted quoted market prices for identical assets in active markets which are accessible by the Organization.

Level 2 - Observable prices in active markets for similar assets. Prices for identical or similar assets in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3 - Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The Organization evaluates the various types of financial assets to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets, including those estimates based on prices and quotes obtained from independent third-party sources.

Property and Equipment

Property and equipment are carried at cost if purchased or estimated fair market value at date of receipt if acquired by gift, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from three to 30 years.

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of property and equipment assets are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred.

Debt Issuance Costs

Debt issuance costs are presented as a reduction of long-term debt on the accompanying statements of financial position. Debt issuance costs are amortized over the life of the related loan and recorded as interest expense in the accompanying statements of activities.

Net Assets and Revenue Recognition

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be fulfilled by actions of the Organization, the passage of time or permanently maintained by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Contributions

Contributions, including unconditional promises to give, are recorded when received. Contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

In-Kind Contributions

Tangible donations are recorded as support at their estimated fair value when received, except for contributions of merchandise available for sale at a related retail thrift store. Contributed services that require specialized skills (attorneys, computer consultants, etc.) are recorded in the statements of activities as unrestricted support at their estimated fair value. A number of unpaid volunteers, including board members, have made significant contributions of their time to develop the Organization's programs and special events. The value of this contributed time is not reflected in the statements of activities, since it is not susceptible to objective measurement or valuation.

The Organization receives contributions of goods and materials and provides these contributions as merchandise available for sale in a related retail thrift store. The Organization believes that the inventory of contributed goods and materials does not possess an attribute that is easily measurable or verifiable with sufficient reliability to determine inventory value at the time of donation. It is only through the value-added processes that prepare the donated inventory for sale that donated inventory has value. Accordingly, contributed goods and materials are not valued prior to being offered for sale, and no revenue is recognized until the date of sale. There is no contributions revenue recorded in the accompanying financial statements for the year ended June 30, 2019 and the six months ended June 30, 2018 associated with these contributions.

Functional Expenses

The cost of providing for the various programs and other activities have been detailed in the accompanying statements of functional expenses and summarized in the statements of activities. Expenses that can be identified with a specific program service are charged directly to the program, according to their natural expenditure and classification. Salaries and other expenses that are not directly allocable are allocated to the various programs based on their estimated usage in each program or supporting service, determined by management's estimate of time and effort.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization is treated as a publicly supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status.

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adopted the provisions of ASU 2016-14 and adjusted the presentation of the accompanying statements accordingly. The ASU has been applied retrospectively to all periods presented.

Recent Accounting Guidance

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. Subsequently in August 2015, FASB issued ASU 2015-14, which delayed the effective date for nonpublic entities to annual periods beginning after December 15, 2018 (the Organization's June 30, 2020 financial statements). The Organization is currently evaluating the impact of this accounting standard on its financial statements.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify the definition of an exchange transaction and contribution and to clarify accounting for the same. The standard is effective for nonpublic entities for fiscal years beginning after December 15, 2018 (the Organization's June 30, 2020 financial statements); early adoption is permitted. The Organization is currently evaluating the impact of this accounting standard on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about the leasing arrangements. In November 2019, FASB issued ASU 2019-10, *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates* to change the effective dates of ASU 2016-02. The amendments are effective for nonpublic entities for fiscal years beginning after December 15, 2020 (the Organization's June 30, 2022 financial statements). The Organization is currently evaluating the impact this accounting standard on its financial statements.

Subsequent Events

Management has evaluated events subsequent to the statement of financial position date of June 30, 2019 and through July 28, 2020, which is the date the financial statements were available to be issued. There were no additional subsequent events, other than those disclosed in Note L, that would require adjustment to, or disclosure in, the accompanying financial statements.

Note C - Availability and Liquidity

The following represents the Organizations financial assets at June 30:

	2019	2018
Financial assets at year end		
Cash	$ 2,931,855	$ 2,518,167
Investments	1,077,814	1,076,792
Current maturities of notes receivable	2,100	2,096
Total financial assets	4,011,769	3,597,055
Less amounts not available to be used within one year		
Net assets with donor restrictions	2,122,296	1,913,879
Financial assets available to meet expenditures over the next 12 months	$ 1,889,473	$ 1,683,176

The Organization's cash position is monitored by executive management to ensure sufficient funds are available to meet daily requirements. Daily requirements are based on the budget, contracts, payroll, and invoice schedules.

Note D - Concentration of Credit Risk

The Organization maintains cash and investments balances that may exceed federal insurance limits. The Organization has not experienced any losses in such accounts, and management believes the Organization is not exposed to any significant risk of loss on cash or investments.

Note E - Investments and Fair Value Measurements

The fair value of certain of the Organization's financial instruments, including cash, other assets, accounts payable and accrued expenses, approximates fair value because of their short-term nature. The fair value of the Organization's long-term debt is considered to be comparable to the loan value of the obligations.

The fair value of beneficial interest in assets of community foundation is based on the fair value of the fund investments as reported by the community foundation. These are considered to be Level 3 measurements. The Organization does not develop nor is it provided with the quantitative inputs used to develop the fair market values.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments carried at fair value at June 30:

	Fair Value	Level 1	Level 2	Level 3
2019				
Cash equivalents	$ 28,303	$ 28,303	$ -	$ -
Mutual funds	1,049,511	1,049,511	-	-
Community foundation	107,668	-	-	107,668
	$ 1,185,482	$ 1,077,814	$ -	$ 107,668
2018				
Cash equivalents	$ 142,087	$ 142,087	$ -	$ -
Mutual funds	930,819	930,819	-	-
Stocks	3,886	3,886	-	-
Community foundation	105,654	-	-	105,654
	$ 1,182,446	$ 1,076,792	$ -	$ 105,654

The following summarizes the changes in the fair value of the Organizations Level 3 assets for the periods ended June 30:

	2019	2018
Beginning balance	$ 105,654	$ 105,429
Change in beneficial interest in assets held by community foundation, net	2,014	225
Ending balance	$ 107,668	$ 105,654

Note F - Notes Receivable

Notes receivable consist of the following at June 30:

	2019	2018
Note receivable from former employee; $175 monthly payments including interest at 6% per annum; due April 2022; unsecured.	$ 4,449	$ 5,324
Less current portion	(2,100)	(2,096)
	$ 2,349	$ 3,228

During the six months ended June 30, 2018, the Organization became aware that a $90,000 note receivable would not be collectable. Accordingly, the Organization expensed the note receivable as bad debt expense, included in other expenses in the statement of activities.

Note G - Property and Equipment

Property and equipment consists of the following at June 30:

	2019	2018
Land	$ 2,538,674	$ 2,288,674
Buildings and improvements	6,170,941	4,937,097
Property improvements	731,341	583,518
Construction in progress	60,724	-
Vehicles	388,242	384,523
Equipment	218,521	155,199
Furniture and fixtures	45,062	45,062
Software	77,647	77,647
Total property and equipment	10,231,152	8,471,720
Less: accumulated depreciation	(3,207,687)	(2,886,771)
Net property and equipment	$ 7,023,465	$ 5,584,949

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress, until such time as the relevant assets are completed and put into use. Construction in progress at June 30, 2019 represents construction of a new residential cottage.

Note H - Long-Term Debt

Mortgages Payable

The Organization maintains a mortgage obligation for the campus property. The campus mortgage is payable to a bank with monthly payments of $5,162 including both principal and interest at 3.5% per annum. The original campus mortgage was $890,000 and was financed over 10 years, with the remaining principal due at maturity in April 2025. The campus mortgage is collateralized by the underlying real estate.

Maturities of the campus mortgage are as follows:

Year ending June 30,	
2020	$ 36,088
2021	37,371
2022	38,701
2023	40,077
2024	41,503
Thereafter	545,819
	$ 739,559

The obligation for the campus mortgage is guaranteed by GoodKids Village Incorporated, a related party as described in Note K, and consists of the following at June 30:

	2019	2018
Campus mortgage	$ 739,559	$ 774,407
Less debt issuance costs	(6,718)	(8,388)
Less current maturities	(36,088)	(34,848)
Total long-term debt, net	$ 696,753	$ 731,171

Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are presented as a reduction of long-term debt to be amortized over the term of the loan and consist of the following at June 30:

	2019	2018
Debt issuance costs	$ 12,284	$ 12,284
Less accumulated amortization	(5,566)	(3,896)
Total debt issuance costs, net	$ 6,718	$ 8,388

Interest expense related to amortization of debt issuance costs was $1,670 and $614 for the year ended June 30, 2019 and the six months ended June 30, 2018, respectively.

Note I - Net Assets

Net assets with donor restrictions were as follows as of June 30:

	2019	2018
Subject to expenditure for specified purpose		
Capital needs	$ 1,943,064	$ 1,732,687
Enrichment activities	71,564	75,538
Educational activities	107,668	105,654
	$ 2,122,296	$ 1,913,879

Net assets in the amounts of $1,307,931 and $226,861 were released from net assets with donor restrictions for the year ended June 30, 2019 and the six months ended June 30, 2018, respectively, due to the satisfaction of purpose restrictions.

Note J - Leases

During 2016, the Organization entered into two noncancelable operating leases for copiers expiring in April and December of 2020. Rental expense for the year ended June 30, 2019 and the six months ended June 30, 2018 was approximately $9,000 and $4,500, respectively.

Future minimum lease payments are summarized as follows:

Year ending June 30	
2020	$ 7,872
2021	880
	$ 8,752

Note K - Related Parties

The Organization’s employment policy requires all employees and their immediate families live on the Organization’s property during their employment.

Hope of Honduras, Inc. operates a children’s home in Honduras. The Organization provides accounting and management staff to Hope of Honduras, Inc. The Organization’s executive director, board chairman, board treasurer, and board secretary are members of Hope of Honduras, Inc.’s board.

GoodKids Village Incorporated (GoodKids) operates two thrift stores in the Tampa Bay area for the purpose of raising funds to support the programs of organizations that care for the wellbeing of children around the world. The Organization provides accounting and management staff to GoodKids. The Organization also guarantees the mortgages related to the GoodKids thrift stores and GoodKids guarantees the mortgage of the Organization (Note H). The Organization's board chairman, board treasurer, and board secretary are members of GoodKids' board. During the year ended June 30, 2019 and the six months ended June 30, 2018, GoodKids donated to the Organization $54,881 and $54,436 for operating expenses, respectively. These amounts are reflected in contributions in the statement of activities.

At June 30, 2019 and 2018, the Organization had amounts due to these related parties in the amounts of $0 and $16,795, respectively.

Although the Organization shares common board members with these organizations, it does not have control over them. Therefore, the operations of the organizations are not included in the financial statements of the Organization.

Note L - Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Organization. To date, the Organization has experienced the average anticipated activity a national pandemic assumes.

During the period ending June 30, 2020, the Organization expects to recognize the acceptance of a Payroll Protection Program loan.