

National Diversity Council
(A Not-for-Profit Organization)
Report on Audit of Financial Statements
For the Years Ended December 31, 2020 and 2019

National Diversity Council (A Not-for-Profit Organization)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
National Diversity Council (a not-for-profit organization)
Houston, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of National Diversity Council (a Texas not-for-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 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 National Diversity Council (a Texas not-for-profit organization) 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.

A handwritten signature in black ink, appearing to read "John F. Coggin CPA PLLC". The signature is written in a cursive, flowing style.

John F. Coggin CPA PLLC
Houston, TX
June 30, 2021

Financial Statements

NATIONAL DIVERSITY COUNCIL
STATEMENT OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 1,626,315	\$ 498,436
Accounts receivable	1,064,517	192,653
Allowance for doubtful accounts	(40,000)	-
Other receivable, net	189,939	200,473
Total assets	2,840,771	891,562
 Liabilities and net assets		
Accounts payable	2,898	5,749
Accrued expenses and other liabilities	1,200	861
Deferred revenue	156,101	30,803
Loan payable - related entity	137,381	203,848
Total current liabilities	297,580	241,261
 Long-term liabilities		
Paycheck Protection Program Loan	275,200	-
Economic Injury Disaster Loan	10,000	-
Total long-term liabilities	285,200	-
 Net assets		
Without donor restrictions	2,257,991	650,301
Total net assets	2,257,991	650,301
Total liabilities and net assets	\$ 2,840,771	\$ 891,562

The accompanying notes are an integral part of these financial statements

NATIONAL DIVERSITY COUNCIL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Revenues and Program Services		
Diversity Certification and Training	\$ 1,530,454	\$ 1,074,374
Events, Summits and other support	407,663	632,887
Memberships	2,762,009	1,657,822
In-Kind Sponsorships	2,200	35,000
Grants	9,277	5,000
Other Revenue	91,085	7,330
Total Revenues and Program Services	<u>4,802,688</u>	<u>3,412,413</u>
Expenses		
Diversity Certification and Training	435,307	348,713
Events, Summits and other support	169,919	275,744
General and Administrative	<u>2,589,772</u>	<u>2,341,585</u>
Total Expenses	<u>3,194,998</u>	<u>2,966,042</u>
Change in Net Assets	1,607,690	446,371
Beginning Net Assets	<u>650,301</u>	<u>203,930</u>
Ending Net Assets	<u>\$ 2,257,991</u>	<u>\$ 650,301</u>

The accompanying notes are an integral part of these financial statements

NATIONAL DIVERSITY COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2020 and 2019

	2020				
	Program Services			General and Administrative	Total
	Diversity Certification and Training	Events and Summits	Total Program Services		
Salaries	\$ 170,698	\$ -	\$ 170,698	\$ 1,001,684	\$ 1,172,382
Employee benefits and payroll taxes	-	-	-	160,717	160,717
Total salaries and related expenses	170,698	-	170,698	1,162,401	1,333,099
Advertising/Promotional	-	125	125	27,677	27,802
Auto Expenses	8	-	8	8,610	8,618
Awards	-	6,292	6,292	-	6,292
Bank/Cred Card Fees	-	-	-	50,291	50,291
Catering	6,938	5,567	12,505	-	12,505
Contract Labor	-	-	-	1,014,498	1,014,498
Diversity Certification Allocation	65,780	-	65,780	-	65,780
Facilitator Expenses	164,530	21,101	185,631	-	185,631
In-kind Donations	-	-	-	-	-
Insurance	-	-	-	3,330	3,330
Interest	-	-	-	25	25
Lodging	-	-	-	10,062	10,062
Meals	134	-	134	10,244	10,378
Office Rental	-	-	-	62,621	62,621
Other	3,064	13,493	16,557	8,143	24,700
Parking and Tolls	-	-	-	488	488
Payroll Processing Fee	-	-	-	43,046	43,046
Photography	-	-	-	-	-
Postage and Shipping	460	815	1,275	1,816	3,091
Printing	22,953	32,972	55,925	230	56,155
Programs	-	5,031	5,031	-	5,031
Professional Fee	-	6,550	6,550	47,292	53,842
Speaker	-	22,026	22,026	-	22,026
Software	-	-	-	31,700	31,700
Supplies	742	2,883	3,625	12,376	16,001
Technology	-	-	-	373	373
Telephone, Internet	-	-	-	41,429	41,429
Travel	-	-	-	53,120	53,120
Venue	-	53,064	53,064	-	53,064
Total Expenses	\$ 435,307	\$ 169,919	\$ 605,226	\$ 2,589,772	\$ 3,194,998

The accompanying notes are an integral part of these financial statements

NATIONAL DIVERSITY COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2020 and 2019

2019

	Program Services			General and Administrative	Total
	Diversity Certification and Training	Events and Summits	Total Program Services		
Salaries	\$ 162,258	\$ -	\$ 162,258	\$ 1,036,073	\$ 1,198,331
Employee benefits and payroll taxes	-	-	-	167,454	167,454
Total salaries and related expenses	162,258	-	162,258	1,203,527	1,365,785
Advertising/Promotional	777	5,000	5,777	27,662	33,439
Auto Expenses	1,756	-	1,756	36,614	38,370
Awards	-	9,592	9,592	-	9,592
Bank/Cred Card Fees	-	-	-	51,041	51,041
Catering	13,190	60,943	74,133	-	74,133
Contract Labor	-	-	-	625,970	625,970
Diversity Certification Allocation	66,039	-	66,039	-	66,039
Facilitator Expenses	50,053	102	50,155	-	50,155
In-kind Donations	-	3,500	3,500	12,500	16,000
Insurance	-	-	-	1,851	1,851
Interest	-	-	-	789	789
Lodging	15,584	-	15,584	38,579	54,163
Meals	3,226	-	3,226	35,821	39,047
Office Rental	-	-	-	64,292	64,292
Other	211	6,820	7,031	9,685	16,716
Parking and Tolls	544	343	887	3,594	4,481
Payroll Processing Fee	13,062	-	13,062	37,449	50,511
Photography	-	1,452	1,452	-	1,452
Postage and Shipping	652	97	749	947	1,696
Printing	13,804	15,936	29,740	1,824	31,564
Programs	-	12,192	12,192	-	12,192
Professional Fee	-	8,990	8,990	44,869	53,859
Speaker	-	12,216	12,216	-	12,216
Software	-	-	-	42,529	42,529
Supplies	867	7,073	7,940	24,521	32,461
Technology	-	-	-	4,309	4,309
Telephone, Internet	-	-	-	32,171	32,171
Travel	6,690	913	7,603	41,041	48,644
Venue	-	130,575	130,575	-	130,575
Total Expenses	<u>\$ 348,713</u>	<u>\$ 275,744</u>	<u>\$ 624,457</u>	<u>\$ 2,341,585</u>	<u>\$ 2,966,042</u>

The accompanying notes are an integral part of these financial statements

NATIONAL DIVERSITY COUNCIL
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating Activities:		
Cash inflows from operations:		
Revenues and Program Service Fees	\$ 4,802,688	\$ 3,412,413
Cash outflows from operations:		
Payments for salaries, benefits and payroll taxes	(1,333,099)	(1,365,785)
Payments to vendors	(2,626,910)	(1,692,482)
Net cash provided by operating activities	842,679	354,146
Investing Activities:	-	-
Financing Activities:		
Paycheck Protection Program Loan	275,200	-
Economic Injury Disaster Loan	10,000	-
Net cash provided by financing activities	285,200	-
Change in cash and cash equivalents	1,127,879	354,146
Cash and cash equivalents at beginning of year	498,436	144,290
Cash and cash equivalents at end of year	\$ 1,626,315	\$ 498,436
Supplemental disclosures:		
Interest Expense	25	789

The accompanying notes are an integral part of these financial statements

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 1 - Organization

The National Diversity Council ("Council") was incorporated in the State of Texas on August 31, 2007, under the National Non-Profit Corporation Act. The Council's primary purpose is to engage in fostering a learning environment for the business community to grow in their knowledge of diversity. The Council currently has Councils located in 26 States with administration and management of the Council located in Houston, Texas. These councils serve the localities as both a resource and an advocate for the value of diversity. The council promotes networking and mentoring opportunities, scholarship programs and events to raise the awareness of diversity in the workplace.

The Council is operated by personnel and utilizes facilities shared with the Texas Diversity Council.

Note 2 – Significant Accounting Policies

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Significant Accounting Policies, continued

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. The organization maintains cash balances at financial institutions located in Houston, Tx. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. The balances occasionally could exceed those limits. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances.

Accounts Receivable

Accounts receivable are unconditional promises to give that are recognized as revenue when the promise is received. Accounts receivable that are expected to be collected in less than one year are reported at net realizable value. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicated that payment is merely postponed. Management believes that accounts receivable, net of allowance for doubtful accounts, are collectible in full.

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Significant Accounting Policies, continued

Short Term Investments

The organization has the approval to invest cash in excess of its immediate needs in money market funds and U.S. Government and Government Agency issues. Short term investments are reported at fair value.

Accounting for Membership Fees and Events

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the continuation is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gift-in-kind Contributions

The organization receives contributions in a form other than cash or investments. Most are airline tickets, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar contribution conditions.

The organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Other Receivables

Other receivables are loans to and from related entities. These entities share facilities and management.

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Significant Accounting Policies, continued

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on management estimates and financial reports prepared by the Council. The management estimates are averaged to determine grant percentages for cost allocations.
- Occupancy, depreciation, and amortization, and interest are allocated based upon management estimates and reports prepared by the Council. The management estimates are averaged to determine grant percentages for allocation of costs.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of management estimates for each area and are averaged for cost allocations to each program and supporting activity.

Every three years, or more often when new space or programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Tax Status

The organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation. If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, the estimated liability is accrued. If the organization were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2020 and 2019, there were no uncertain tax positions.

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 are:

Financial assets:	
Cash and cash equivalents	1,626,315
Account receivable, net	1,024,517
Short-term investments	-
Other receivable	189,939
Total financial assets	2,840,771
Less financial assets held to meet donor-imposed restrictions:	-
Less financial assets net receivable within one year:	-
Amount available for general expenditures within one year	2,840,771

The above table would reflect donor-restricted and board-designated funds as unavailable because it is the organization's intention to invest those resources for the long-term support of the organization. However, in the case of need, the Board of Directors could appropriate resources from either the donor-restricted funds available for general use.

The organization presently has the following cash needs:

	<u>2020</u>	<u>2019</u>
Disbursements	\$ 3,194,998	\$ 2,966,042
Six months requirement	\$ 532,499	\$ 494,340

Note 4 - Fair Value Measurements

The organization reports fair value measures of its assets and liabilities using a three-level hierarchy that pri-oritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities max-imize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 4 - Fair Value Measurements, continued

- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the organization's financial statements are

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- recurring measurement of short-term investments.
- recurring measurement of endowment and long-term investments.
- recurring measurement of beneficial interests in trusts.

Note 5 – Accounts Receivable

Accounts receivable at December 31, 2020, are due as follow:

Currently due	1,064,517
Less than 1 year	-
1 year to 5 years	-
	1,064,517
Less:	
Allowance for uncollectible contributions receivable	(40,000)
	1,024,517

Note 6 – Note Payable

The organization has various notes. The notes have the following arrangements:

Type	Term	Original Loan	Payment	Interest	Balance 12/31/20
Paycheck Protection Program Loan	2 years	275,200	-	1.00%	275,200
Economic Injury Disaster Loan	30 years	10,000	-	2.75%	10,000
Total Notes Payables					285,200
				Long Term	285,200
				Short Term	-
				Total Debt	285,200

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 7 – Operating Lease Commitments

The origination had various operating leases for several facilities. The following is a schedule of rental payments:

	<u>2020</u>	<u>2019</u>
Total rental payments	\$ 62,621	\$ 64,292

The organization now has only month to month arrangement with a small office for storage from September 2020. The term for the lease is 12 months at \$400 per month. Rent of facilities was \$62,621 and \$64,292 for year ended December 31, 2020 & 2019, respectively.

Note 8 – Commitments and Contingencies

The organization has historically entered into contracts with convention centers for its 2019 and future years. These contracts do not contain cancellation penalties. With the current operational environment no contracts are presently in place.

Also, as an annual budgetary process, payment to the executive team is allocated annually. The payment of the amounts is accumulated but payment timing is not determinable. The total budget allocations from prior years not yet paid are \$1,856,834. Due to the underdetermined payments and timing this amount is not reflected in the financial statements.

Note 9 – Related Party Transactions

The National Diversity Council shares building space and expenses as well as management and staffing with the Texas Diversity Council and the Diversity Leadership Council, Inc. Officers of the National Diversity Council, the Diversity Leadership Council and the Texas Diversity Council are common to both organizations. Numerous deposits and disbursements by each organization is reimbursed or disbursed to the related organization based on payroll allocation, rental space and revenue received. Also, certain officers of National Diversity Council are paid employees of Texas Diversity Council.

Accordingly, there are related party transactions between the entities controlled by management and the Board.

In addition, there are receivables and payables between the entities and management.

Note 10 – Loan Payable – Related Entity

The Council shares management and facilities with related entities, Texas Diversity Council and Diversity and Leadership, Inc. The loans from Diversity and Leadership, Inc. are non-interest bearing and have no payment schedule or amortization. The loans were established in lieu of bank loans to assist in operating needs. The balance due is \$137,381 at December 31, 2020 and \$203,848 at December 31, 2019.

NATIONAL DIVERSITY COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 11 – Forgiveness Loan

The Council received a Paycheck Protection Program Loan of \$275,200 and recorded it as short-term liability. The loan is subjected to forgiveness in Fiscal Year 2022.

Note 12 – Deferred Revenues

Deferred revenues are comprised of future years membership and events paid by the contributor in the current year.

Note 13 – Concentrations of Risk

A significant portion, approximately 58%, of the organization’s annual funding comes from membership due of individuals and entities.

The majority of the organization’s contributions are received from corporations, and individuals located in the various metropolitan areas. As such, the organization’s ability to generate resources via contributions is dependent upon the economic health of the area and of the State of the location.

Note 14 – Retirement Plans

The Council has retirement plans in place. The total 401(k) expense for the years ended December 31, 2020 and 2019 was approximately \$36,197 and \$7,305, respectively. Medical insurance is provided with a share paid by the employee and the Council.

Note 15 – Subsequent Events

Subsequent events have been evaluated through June 30, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.