

Boulder County RSVP Board, Inc. dba

CULTIVATE

Financial Statements

December 31, 2020 and 2019

CONTENTS

| | |
|-----------------------------------|------------|
| INDEPENDENT AUDITOR'S REPORT | Page 1 |
| STATEMENTS OF FINANCIAL POSITION | Page 2 |
| STATEMENTS OF ACTIVITIES | Page 3-4 |
| STATEMENTS OF FUNCTIONAL EXPENSES | Page 5-6 |
| STATEMENTS OF CASH FLOWS | Page 7 |
| NOTES TO FINANCIAL STATEMENTS | Pages 8-12 |

Independent Auditors Report

Board of Directors
Cultivate
Boulder, Colorado

We have audited the accompanying financial statements of Boulder County RSVP Board, Inc. (a nonprofit organization), doing business as Cultivate, which are comprised of the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended and 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 controls 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 audit. We conducted our audit 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 judgement, 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 Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations internal controls. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cultivate as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CAHILL & ASSOCIATES, P.C.

CAHILL & ASSOCIATES, P.C.
May 5, 2021

Boulder County RSVP Board, Inc. dba**CULTIVATE****Statements of Financial Position****December 31, 2020 and 2019**

ASSETS

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 358,255 | \$ 284,205 |
| Accounts Receivable | 21,625 | 18,375 |
| Prepaid Expenses | 14,244 | 9,531 |
| TOTAL CURRENT ASSETS | <u>394,124</u> | <u>312,111</u> |
| PROPERTY AND EQUIPMENT | | |
| Property and Equipment | 44,057 | 44,057 |
| Less Accumulated Depreciation | (37,812) | (35,146) |
| TOTAL PROPERTY AND EQUIPMENT | <u>6,245</u> | <u>8,911</u> |
| OTHER ASSETS | | |
| Security Deposits | 3,842 | 3,842 |
| Beneficial Interest in Assets Held by Others | 17,512 | 16,412 |
| TOTAL OTHER ASSETS | <u>21,354</u> | <u>20,254</u> |
| TOTAL ASSETS | <u>\$ 421,723</u> | <u>\$ 341,276</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|-------------------|-------------------|
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 1,873 | \$ 3,182 |
| PPP Loan Payable | 77,500 | - |
| Accrued Vacation | 2,116 | 2,561 |
| Accrued Payroll and Payroll taxes | 16,975 | 11,217 |
| TOTAL CURRENT LIABILITIES | <u>98,464</u> | <u>16,960</u> |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Operating | 249,502 | 248,993 |
| Board Designated Operating Reserve | 50,000 | 50,000 |
| Net Investment in Fixed Assets | 6,245 | 8,911 |
| With Donor Restrictions | 17,512 | 16,412 |
| TOTAL NET ASSETS | <u>323,259</u> | <u>324,316</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 421,723</u> | <u>\$ 341,276</u> |

See Accompanying Notes to Financial Statements

**Boulder County RSVP Board, Inc. dba
CULTIVATE
Statements of Activities
Year Ended December 31, 2020**

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---|--------------------------------|-----------------------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUE | | | | | |
| Private Grants | \$ 152,213 | \$ - | \$ - | \$ - | \$ 152,213 |
| State and Local Governments | 270,559 | - | - | - | 270,559 |
| Individual and Corporate Donations | 131,260 | - | - | - | 131,260 |
| Federal Funding | 112,077 | - | - | - | 112,077 |
| Interest Income | 888 | - | 288 | - | 1,176 |
| Realized Gain on Disposal of Assets | - | - | 790 | - | 790 |
| Unrealized Gain/ (Loss) on Beneficial Interest | - | - | 960 | - | 960 |
| Net Assets Released from Restrictions | 939 | - | (939) | - | - |
| TOTAL SUPPORT AND REVENUE | <u>667,936</u> | <u>-</u> | <u>1,099</u> | <u>-</u> | <u>669,035</u> |
| EXPENSES | | | | | |
| Program Services | 515,455 | - | - | - | 515,455 |
| Fundraising | 29,545 | - | - | - | 29,545 |
| General and Administrative | 125,092 | - | - | - | 125,092 |
| TOTAL EXPENSES | <u>670,092</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>670,092</u> |
| CHANGE IN NET ASSETS | (2,156) | - | 1,099 | - | (1,057) |
| NET ASSETS - Beginning of Year | <u>307,903</u> | <u>-</u> | <u>16,412</u> | <u>-</u> | <u>324,316</u> |
| NET ASSETS - End of Year | <u>\$ 305,747</u> | <u>\$ -</u> | <u>\$ 17,512</u> | <u>\$ -</u> | <u>\$ 323,259</u> |

See Accompanying Notes to Financial Statements

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Statements of Activities
Year Ended December 31, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---|--------------------------------|-----------------------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUE | | | | | |
| Private Grants | \$ 230,351 | \$ - | \$ - | \$ - | \$ 230,351 |
| State and Local Governments | 251,334 | - | - | - | 251,334 |
| Individual and Corporate Donations | 57,917 | - | - | - | 57,917 |
| Federal Funding | 86,464 | - | - | - | 86,464 |
| Interest Income | 769 | - | - | 358 | 1,127 |
| Realized Gain on Disposal of Assets | - | - | - | 216 | 216 |
| Unrealized Loss on Beneficial Interest | - | - | - | 1,987 | 1,987 |
| Net Assets Released from Restrictions | 1,025 | - | - | (1,025) | - |
| TOTAL SUPPORT AND REVENUE | <u>627,860</u> | <u>-</u> | <u>-</u> | <u>1,536</u> | <u>629,396</u> |
| EXPENSES | | | | | |
| Program Services | 469,351 | - | - | - | 469,351 |
| Fundraising | 62,658 | - | - | - | 62,658 |
| General and Administrative | 160,311 | - | - | - | 160,311 |
| TOTAL EXPENSES | <u>692,319</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>692,319</u> |
| CHANGE IN NET ASSETS | (64,459) | - | - | 1,536 | (62,923) |
| NET ASSETS - Beginning of Year | <u>372,362</u> | <u>-</u> | <u>-</u> | <u>14,876</u> | <u>387,238</u> |
| NET ASSETS - End of Year | <u>\$ 307,903</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,412</u> | <u>\$ 324,316</u> |

Boulder County RSVP Board, Inc. dba

CULTIVATE

Statements of Functional Expenses

Year Ended December 31, 2020

| | <u>Program Services</u> | <u>Fundraising Expenses</u> | <u>General Administrative Expenses</u> | <u>Total</u> |
|----------------------------|-----------------------------|---------------------------------|--|-------------------|
| Salaries | \$ 328,060 | \$ 19,298 | \$ 38,595 | \$ 385,953 |
| Payroll Taxes & Benefits | 29,099 | 3,419 | 45,103 | 77,621 |
| Advertising/Outreach | 28,721 | 163 | 586 | 29,470 |
| Occupancy | 33,038 | - | 24,082 | 57,120 |
| Postage & Printing | 1,866 | 458 | 487 | 2,811 |
| Professional Services | 18,635 | - | 5,113 | 23,748 |
| Direct Fundraising Expense | 367 | 6,124 | - | 6,491 |
| Volunteer Transportation | 10,375 | 83 | 135 | 10,593 |
| Insurance | 17,023 | - | - | 17,023 |
| Telephone | 4,223 | - | 1,140 | 5,363 |
| Volunteer Recognition | 6,537 | - | 35 | 6,572 |
| Staff Acknowledgment | 846 | - | 2,096 | 2,942 |
| Program/Office Supplies | 3,714 | - | 5,950 | 9,664 |
| Dues & Licenses | 2,568 | - | 20 | 2,588 |
| Education - Training | 850 | - | 153 | 1,003 |
| Equipment rental | 131 | - | 130 | 261 |
| Background Checks | 1,843 | - | 19 | 1,862 |
| Bank & Credit Card Fees | 5,169 | - | 244 | 5,413 |
| Recruiting | - | - | 225 | 225 |
| Registration Fees | 20 | - | - | 20 |
| Software & Support | 4,178 | - | 687 | 4,865 |
| Other Expenses | 392 | - | - | 392 |
| Repair & Maintenance | 406 | - | 292 | 698 |
| Tools & Supplies | 14,689 | - | - | 14,689 |
| Conferences/Meetings | 39 | - | - | 39 |
| Depreciation | 2,666 | - | - | 2,666 |
| TOTAL EXPENSES | \$ 515,455 | \$ 29,545 | \$ 125,092 | \$ 670,092 |

Boulder County RSVP Board, Inc. dba

CULTIVATE

Statements of Functional Expenses

Year Ended December 31, 2019

| | <u>Program Services</u> | <u>Fundraising Expenses</u> | <u>General Administrative Expenses</u> | <u>Total</u> |
|----------------------------|-----------------------------|---------------------------------|--|-------------------|
| Salaries | \$ 321,605 | 50,780 | \$ 50,780 | \$ 423,164 |
| Payroll Taxes & Benefits | 20,710 | 4,365 | 70,237 | 95,312 |
| Advertising/Outreach | 6,543 | 1,002 | 1,011 | 8,556 |
| Occupancy | 33,910 | - | 24,577 | 58,487 |
| Postage & Printing | 1,943 | 352 | 192 | 2,487 |
| Professional Services | 12,574 | - | 5,514 | 18,088 |
| Direct Fundraising Expense | 139 | 5,303 | - | 5,442 |
| Volunteer Transportation | 24,797 | 645 | 59 | 25,501 |
| Insurance | 15,392 | - | 53 | 15,445 |
| Telephone | 4,152 | - | 1,307 | 5,459 |
| Volunteer Recognition | 2,095 | - | - | 2,095 |
| Staff Acknowledgment | 51 | - | 1,588 | 1,639 |
| Program/Office Supplies | 1,188 | 18 | 1,755 | 2,961 |
| Dues & Licenses | 1,819 | - | 81 | 1,900 |
| Education - Training | 619 | - | 310 | 929 |
| Equipment Rental | 392 | - | 261 | 653 |
| Background Checks | 1,959 | - | 68 | 2,027 |
| Bank & Credit Card Fees | 395 | - | 242 | 637 |
| Recruiting | - | - | 336 | 336 |
| Software & Support | 3,696 | 74 | 1,242 | 5,012 |
| Other Expenses | 429 | - | - | 429 |
| Repair & Maintenance | 135 | - | 512 | 647 |
| Tools & Supplies | 7,161 | - | 186 | 7,347 |
| Conferences/Meetings | 3,014 | 119 | - | 3,133 |
| Depreciation | 4,633 | - | - | 4,633 |
| TOTAL EXPENSES | \$ 469,351 | \$ 62,658 | \$ 160,311 | \$ 692,319 |

See Accompanying Notes to Financial Statements

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|---------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Support and Revenue Received | \$ 664,035 | \$ 622,822 |
| Salaries and Operating Expenses Paid | <u>(668,135)</u> | <u>(688,433)</u> |
| NET CASH USED BY OPERATING ACTIVITIES | <u>(4,100)</u> | <u>(65,611)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Reinvested Investment Earnings (Net) | <u>650</u> | <u>667</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>650</u> | <u>667</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| PPP Loan Proceeds | <u>77,500</u> | <u>-</u> |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | <u>77,500</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 74,050 | (64,944) |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>284,205</u> | <u>349,149</u> |
| CASH AND CASH EQUIVALENTS - End of Year | <u><u>\$ 358,255</u></u> | <u><u>\$ 284,205</u></u> |
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Change in Net Assets | <u>\$ (1,057)</u> | <u>\$ (62,923)</u> |
| Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 2,666 | 4,633 |
| Gain on Disposal of Assets | (790) | (216) |
| Unrealized (Gain) Loss on Beneficial Interest | (960) | (1,987) |
| Changes in Operating Assets and Liabilities: | | |
| Increase in Accounts Receivable | (3,250) | (4,371) |
| Increase in Prepaid Expenses | (4,713) | (78) |
| Decrease in Accounts Payable | (1,309) | (1,105) |
| Increase in Accrued Payroll and Payroll Taxes | 5,313 | 436 |
| Total Adjustments | <u>(3,043)</u> | <u>(2,688)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ (4,100)</u></u> | <u><u>\$ (65,611)</u></u> |

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND ACTIVITIES

Cultivate (the Organization) was established to serve the communities in Boulder and surrounding counties by providing staff and volunteer services to the growing senior population. The mission is to help seniors flourish through active engagement with the community. Volunteer placements are designed to promote independence, physical and emotional well-being and avoid inappropriate institutional care by providing community-based care. The Organization is primarily supported by private grants, individual and corporate donations and government contracts. The Organization operates the following major programs:

Senior Programs - Provides free services to seniors including Carry-Out Caravan (grocery shopping and delivery), Fix-It (minor home repairs), VetsGo (medical transportation to veterans and their family members), YardBusters (yard clean up), SnowBusters (snow removal), File of Life (emergency information for first response teams), holiday gift programs, community service and referral programs.

Volunteer Support - Provides volunteer services to non-profit, governmental and nonproprietary health agencies in Boulder and surrounding counties.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization's financial statements are prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions by classifying fund balances and transactions into the following classes of net assets:

Unrestricted Net Assets – Net assets available for the Organization's stated purposes without restriction

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may be met by appropriate use and/or by the passage of time

Permanently Restricted Assets - Net assets that are permanently restricted as to access for use by the Organization

Cash and Cash Equivalents

The Organization considers all liquid investments with an original maturity of three months or less to be cash equivalents. For purposes of these financial statements, cash and cash equivalents are comprised of demand deposits and money market accounts.

Accounts Receivable

The Organization states accounts receivables at the amount management expects to collect from outstanding balances. A provision is made for estimated uncollectible accounts when deemed applicable.

Investments

Cultivate reports its investments at fair values. When applicable, unrealized gains or losses are reported in the statement of activities.

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Property and Equipment

Property and equipment is stated at cost or estimated value if donated and depreciated over estimated useful lives ranging from three to five years using the straight-line method. Expenditures for maintenance, repairs and minor replacements are charged to operations; expenditures for major replacements and betterments that exceed \$500 are capitalized.

Contributions and Grants

Contributions and grants are recorded as unrestricted or temporarily restricted support, depending on the existence or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted.

Donated Services and Materials

Donated goods and services which meet specific criteria are recorded at fair market value as of the date of donation. Accounting principles allow for the recognition of donation for services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer and donated services that meet these requirements are recorded in the financial statements

Expense Allocation

Expenses are charged directly to program services and fundraising based on the character of the costs. Payroll and related payroll costs are allocated based on evaluation of time utilized. Rent expense is allocated based on area useage. General and Administrative Expense include costs that are not directly identifiable with a specific program function and provide for the overall support and direction of the Organization.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from such estimates.

Tax Exempt Status

Cultivate has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation under Section 509(a) of the Internal Revenue Code of 1986. As such, donors are entitled to a charitable deduction for their contributions to Cultivate.

Advertising Costs

The Organization uses advertising to promote its programs among audiences it serves. Advertising costs are expensed as incurred.

Compensated Absences

The employees of the Organization are eligible for paid vacation time depending on the length of services and other factors. Employees may carryover up to 40 hours of unused vacation time, which must be used by March 31st of the following year.

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Subsequent Events

Management has evaluated all subsequent events through May 5, 2021 which is the date the financial statements were available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|-----------------|-----------------|
| Computer & Software | \$ 25,742 | \$ 25,742 |
| Equipment | 8,264 | 8,264 |
| Furniture | 6,034 | 6,034 |
| Leasehold Improvements | <u>4,017</u> | <u>4,017</u> |
| | 44,057 | 44,057 |
| Less Accumulated Depreciation | <u>(37,812)</u> | <u>(35,146)</u> |
| Net Property and Equipment | \$ <u>6,245</u> | \$ <u>8,911</u> |

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has an endowment fund as a component of The Community Foundation Serving Boulder County. Under the terms of the endowment, the Organization may use the investment earnings, request up to 5% of the designated portions of the endowment each year or may reinvest all or part of the earnings with the foundation.

The fund is stated at fair value. Following is a summary of the fund activity for the years ending December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Balance, Beginning of Year | \$ 16,412 | 14,876 |
| Dividend and Interest Income | 288 | 359 |
| Net Appreciation (Depreciation) of Assets | 1,750 | 2,202 |
| Transfers to Operating account | <u>(938)</u> | <u>(1,025)</u> |
| Total Investment Return (Loss) | <u>1,100</u> | <u>1,536</u> |
| Balance, End of Year | \$ <u>17,512</u> | \$ <u>16,412</u> |

Additionally, the Community Foundation maintains a separate fund matching donations designated on behalf of Cultivate. As receipt of the funds is conditional upon uncertain future events, this fund is not considered the property of Cultivate and is not recognized within these financial statements. As of December 31, 2020 and 2019 the designated portion of the fund was \$18,906 and \$17,719 respectively.

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 5 - BOARD DESIGNATED OPERATING RESERVE

The Board of Directors has designated an operating reserve of \$50,000 to cover costs during times of unanticipated needs or funding declines.

NOTE 6 - IN-KIND CONTRIBUTIONS

Accounting principles for charitable organizations recognize the value of donated services in the financial statements if those services (a) create or enhance long-lived assets; or (b) require specialized skills, is provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Most of the volunteer services provided to Cultivate do not meet these criteria. During the years ending December 31, 2020 and 2019, the Organization received approximately 33,981 and 21,692 volunteer hours, respectively.

Cultivate did not receive any donated services or goods for the years ending December 31, 2020 or 2019.

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Company maintains a retirement savings plan under Section 401(k) of the U.S. Internal Revenue Code. This plan covers all full time employees. The Organization matches employee contributions up to 3% of the employee's gross wages. For December 31, 2020 and 2019, the Organization contributed \$6,455 and \$7,795 respectively. All administrative costs associated with this plan are covered by the Company.

NOTE 8 - LEASE COMMITMENTS

The Organization leases office space in Boulder, Colorado. On January 1, 2017 the Organization entered into a lease agreement for rental property in the Gunbarrel area of Boulder. The lease term began January 1, 2017 and terminates on February 28, 2022, with rental payments due on the first of each month beginning March 1, 2017.

Lease expense was \$36,854 and \$35,266 for the years ended December 31, 2019 and 2018, respectively and is included with utilities in occupancy expenses on the Statements of Functional Expenses.

Future minimum lease payments are as follows:

| | |
|------|------------------|
| 2021 | \$ 35,460 |
| 2022 | <u>6,107</u> |
| | \$ <u>41,567</u> |

**Boulder County RSVP Board, Inc. dba
CULTIVATE**
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 9 - CONCENTRATIONS

For cash management purposes, the Organization concentrates its cash holdings at a commercial bank. From time to time, the balance in these accounts may exceed the federally insured limit of \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2020 and 2019 there were \$2,783 and \$0 respectively over the \$250,000 F.D.I.C. insurance limit.

For the years ending December 31, 2020 and 2019 approximately 57% and 54% respectively of the Organizations revenue is derived from grants from the federal, state and local governments. The current level of the Organizations operating program services may be impacted or segments discontinued if the funding is not renewed.

NOTE 10 – COVID-19 FINANCIAL CONSIDERATIONS

SBA PPP LOAN

In 2020 the Organization received loan proceeds in the amount of \$77,500 under the SBA's Paycheck Protection Program (PPP). This program was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), and provides for loans to qualifying organizations and businesses in amounts up to 2.5 times their average monthly payroll expenses. The loans and accrued interest are forgivable if the organization uses the loan proceeds for eligible purposes, maintains its payroll levels and meets other stipulations. Eligible purposes include payroll, benefits, rent and utilities. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral of payments for the first six months. The Organization used the proceeds for purposes consistent with the guidelines and believes that its use of the loan proceeds will meet the conditions for loan forgiveness.

In March 2021, the Organization received proceeds in the amount of \$77,500 under the SBA's Second Draw of the Paycheck Protection Program. The Organization intends to use the loan proceeds for eligible purposes and believes this loan will be eligible for forgiveness as well.

NOTE 11 – SUBSEQUENT EVENTS

On May 18, 2021, Cultivate applied for forgiveness of \$77,500 of indebtedness received under the First Draw of the Paycheck Protection Program. Management anticipates the full amount will be forgiven.