

BOOK HARVEST
AUDITED FINANCIAL STATEMENTS
December 31, 2020 and 2019

BOOK HARVEST

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Mark S. Danes, CPA, PLLC

Certified Public Accountant and Consultant

Independent Auditor's Report

Board of Directors and Management
Book Harvest
Durham, North Carolina

We have audited the accompanying financial statements of Book Harvest (the Organization) (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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 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 Organization'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 the 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.

Mark S. Danes, CPA, PLLC

May 4, 2021

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Book Harvest
Statements of Financial Position
December 31, 2020 and 2019

| | 2020 | 2019 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,398,933 | \$ 533,102 |
| Investments | 265 | 4,734 |
| Promises to give | 235,037 | 184,943 |
| Accounts receivable | 8,239 | 3,039 |
| Book inventory | 80,135 | 64,008 |
| Security deposit | 4,810 | 4,610 |
| Beneficial interest in assets held by others | 354,283 | 231,100 |
| Property and equipment, net of accumulated depreciation of \$1,828 | 972 | 573 |
| Total assets | \$ 2,082,674 | \$ 1,026,109 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable | \$ 3,743 | \$ 36,792 |
| Accrued expenses and payroll withholdings | 33,975 | 19,729 |
| Forgivable loan | 168,300 | - |
| Total liabilities | 206,018 | 56,521 |
| Net Assets | | |
| Without donor restrictions | | |
| Available for operations | 412,937 | 343,222 |
| Board-designated operating reserve | 680,686 | 447,290 |
| With donor restrictions | 783,033 | 179,076 |
| Total net assets | 1,876,656 | 969,588 |
| Total liabilities and net assets | \$ 2,082,674 | \$ 1,026,109 |

See accompanying notes to financial statements.

Book Harvest
Statements of Activities
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|--------------|--------------|
| Without donor restrictions | | |
| Support and Revenue | | |
| Contributions and grants | \$ 1,662,091 | \$ 1,509,942 |
| Return on beneficial interest on assets held by others | 33,873 | 33,342 |
| Other revenue | 12,159 | 7,237 |
| Net assets released from restrictions: | 114,538 | - |
| Total support, revenue and reclassifications | 1,822,661 | 1,550,521 |
| Expenses | | |
| Program services | | |
| Book Babies | 474,008 | 501,405 |
| Books On Break | 349,544 | 238,138 |
| Community Book Bank | 191,080 | 228,721 |
| Community Engagement | 125,502 | 121,413 |
| Books To Go | - | 40,250 |
| Events | 97,859 | 95,037 |
| Special Initiatives | 18,770 | 23,674 |
| Management and General | 149,251 | 120,174 |
| Fundraising | 113,536 | 101,619 |
| Total expenses | 1,519,550 | 1,470,431 |
| Change in net assets without donor restrictions | 303,111 | 80,090 |
| With donor restrictions | | |
| Support and Revenue | | |
| Contributions | 718,495 | 179,076 |
| Net assets released from restrictions | (114,538) | - |
| Change in net assets with donor restrictions | 603,957 | 179,076 |
| Change in net assets | 907,068 | 259,166 |
| Beginning net assets | 969,588 | 710,422 |
| Ending net assets | \$ 1,876,656 | \$ 969,588 |

See accompanying notes to financial statements.

Book Harvest
Statement of Functional Expenses
For the Year Ended December 31, 2020

| | Book Babies | Books On Break | Community Book Bank | Community Engagement | Events | Special Initiatives | Management and General | Fundraising | Total |
|-------------------------|-------------------|-------------------|---------------------|----------------------|------------------|---------------------|------------------------|-------------------|---------------------|
| Salaries and wages | \$ 300,912 | \$ 87,826 | \$ 56,401 | \$ 83,837 | \$ 63,092 | \$ 14,305 | \$ 107,859 | \$ 90,068 | \$ 804,301 |
| Retirement plan | 7,595 | 2,296 | 1,533 | 2,156 | 1,627 | 410 | 3,123 | 2,544 | 21,284 |
| Other employee benefits | 1,554 | 1,554 | 1,243 | 777 | 466 | - | 311 | 311 | 6,217 |
| Payroll taxes | 21,453 | 6,621 | 4,246 | 6,352 | 4,801 | 1,094 | 8,194 | 6,873 | 59,634 |
| Professional fees | 64,053 | 58,791 | 900 | 2,035 | 9,545 | 2,400 | 17,429 | 2,246 | 157,399 |
| Office expenses | 6,007 | 8,171 | 1,753 | 1,061 | 704 | 27 | 811 | 4,364 | 22,900 |
| Information technology | 3,401 | 3,682 | 1,999 | 1,463 | 1,090 | 391 | 1,406 | 2,484 | 15,916 |
| Occupancy | 31,182 | 17,512 | 33,687 | 17,294 | 7,610 | - | 7,373 | 3,809 | 118,467 |
| Travel | 2,687 | 525 | 185 | 442 | 77 | 3 | 318 | 65 | 4,303 |
| Meetings | 3,529 | 1,446 | 304 | 216 | 391 | 35 | 929 | 202 | 7,052 |
| Insurance | 1,102 | 1,639 | 882 | 551 | 331 | - | 220 | 220 | 4,946 |
| Books / incentives | 23,049 | 136,958 | 81,142 | 4,469 | - | 104 | - | - | 245,721 |
| Supplies | 6,964 | 21,175 | 5,523 | 779 | 404 | - | 413 | 196 | 35,454 |
| Miscellaneous | 518 | 1,349 | 1,281 | 4,068 | 7,721 | - | 865 | 154 | 15,956 |
| | <u>\$ 474,008</u> | <u>\$ 349,544</u> | <u>\$ 191,080</u> | <u>\$ 125,502</u> | <u>\$ 97,859</u> | <u>\$ 18,770</u> | <u>\$ 149,251</u> | <u>\$ 113,536</u> | <u>\$ 1,519,550</u> |

See accompanying notes to financial statements.

Book Harvest
Statement of Functional Expenses
For the Year Ended December 31, 2019

| | Book Babies | Books On Break | Community Book Bank | Community Engagement | Books To Go | Events | Special Initiatives | Management and General | Fundraising | Total |
|-------------------------|-------------------|-------------------|---------------------|----------------------|------------------|------------------|---------------------|------------------------|-------------------|--------------------|
| Salaries and wages | \$ 240,875 | \$ 81,527 | \$ 62,048 | \$ 89,730 | \$ 8,673 | \$ 63,326 | \$ 14,197 | \$ 85,072 | \$ 78,255 | \$ 723,703 |
| Retirement plan | 6,300 | 2,211 | 1,580 | 2,163 | 240 | 1,734 | 406 | 2,227 | 2,166 | 19,027 |
| Other employee benefits | 1,789 | 1,789 | 1,431 | 537 | 358 | 537 | - | 358 | 358 | 7,154 |
| Payroll taxes | 36,110 | 6,354 | 4,817 | 6,973 | 677 | 4,939 | 1,109 | 6,614 | 6,112 | 73,705 |
| Professional fees | 133,237 | - | - | 293 | - | 1,173 | 6,102 | 16,167 | 1,986 | 158,958 |
| Office expenses | 10,656 | 4,886 | 3,820 | 1,595 | 1,050 | 1,717 | 30 | 1,086 | 3,845 | 28,684 |
| Information technology | 3,157 | 1,829 | 2,034 | 792 | 327 | 620 | 7 | 754 | 2,809 | 12,329 |
| Occupancy | 21,603 | 10,874 | 30,369 | 15,115 | 3,593 | 11,237 | - | 3,375 | 3,073 | 99,240 |
| Travel | 8,664 | 3,019 | 648 | 1,529 | 78 | 961 | 1,352 | 540 | 531 | 17,322 |
| Meetings | 8,002 | 1,578 | 892 | 1,123 | 29 | 2,858 | 471 | 2,532 | 544 | 18,028 |
| Insurance | 808 | 808 | 647 | 243 | 162 | 243 | - | 162 | 162 | 3,234 |
| Books / incentives | 23,309 | 115,318 | 115,153 | 435 | 24,564 | 3,714 | - | 271 | 77 | 282,841 |
| Supplies | 5,996 | 7,720 | 4,392 | 221 | 460 | 1,154 | - | 472 | 192 | 20,607 |
| Miscellaneous | 900 | 225 | 890 | 666 | 38 | 825 | - | 544 | 1,511 | 5,599 |
| | <u>\$ 501,405</u> | <u>\$ 238,138</u> | <u>\$ 228,721</u> | <u>\$ 121,413</u> | <u>\$ 40,250</u> | <u>\$ 95,037</u> | <u>\$ 23,674</u> | <u>\$ 120,174</u> | <u>\$ 101,619</u> | <u>\$1,470,431</u> |

See accompanying notes to financial statements.

Book Harvest
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|--------------|------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 907,068 | \$ 259,166 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Return on beneficial interest in assets held by others | (33,873) | (33,342) |
| Donated assets | (265) | - |
| Changes in assets and liabilities: | | |
| Promises to give | (50,094) | (184,943) |
| Accounts receivable | (5,200) | (970) |
| Book inventory | (16,127) | 3,106 |
| Security deposit | (200) | (100) |
| Accounts payable, accrued expenses and withholdings | (18,803) | 25,418 |
| Agency obligations | - | (6,057) |
| Net cash provided by (used in) operating activities | 782,506 | 62,278 |
| Cash Flows From Investing Activities | | |
| Transfer of assets to community foundation | (89,310) | - |
| Proceeds from sale of investments | 4,734 | - |
| Cash paid for purchase of property and equipment | (399) | - |
| Net cash provided by (used in) investing activities | (84,975) | - |
| Cash Flows From Financing Activities | | |
| Issuance of debt | 168,300 | - |
| Net cash provided by (used in) financing activities | 168,300 | - |
| Net increase (decrease) in cash and cash equivalents | 865,831 | 62,278 |
| Cash and cash equivalents at beginning of year | 533,102 | 470,824 |
| Cash and cash equivalents at end of year | \$ 1,398,933 | \$ 533,102 |
| Supplemental Disclosures | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for taxes | \$ - | \$ - |

See accompanying notes to financial statements.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Nature of Activities

Book Harvest (the Organization) was incorporated in the state of North Carolina in March 2011. The Organization's primary purpose is to collect and distribute new and gently used books to underprivileged children who have limited or no access to books.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

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

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

Cash and Cash Equivalents

As a general rule, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The cash and cash equivalents accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and may at times exceed the federally insured limits.

At December 31, 2020, cash deposits totaling \$1,130,011 were not covered by the FDIC. The Organization has never experienced any losses in such accounts.

Book Inventory

Book inventory consists of books to be given away in furtherance of the Organization's mission. Book inventory is stated at the lower of cost or market value determined by the first-in, first-out method.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Receivables, Promises to Give and Revenue Recognition

Receivables and promises to give are stated at the amount management expects to collect from balances outstanding at year's end. The Organization uses the allowance method to determine uncollectible receivables and promises to give. The allowance is based on prior years' experience and management's analysis of specific amounts outstanding at year's end. For the years presented, no allowance was considered necessary.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Property and Equipment

Property and equipment is stated at cost for purchased assets and at fair market value on the date of the gift for donated assets. 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 are restricted contributions.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets (5-7 years). Maintenance, repairs and small equipment purchases are charged to expense when incurred. Betterments and renewals in excess of \$1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation amounts are removed and any gain or loss is recorded.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and classified as a public charity under 170(b)(1)(A)(vi). It is also exempt from North Carolina income and franchise taxes under the North Carolina Non-Profit Corporation Act. It is responsible for unrelated business income, if any.

No provision has been made for income taxes in the financial statements. Furthermore, the Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The IRS Form 990 and other tax returns generally remain subject to examination by the taxing authorities for three years after they are filed.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

General Expenditures

The Organization considers the costs related to its normal activities to be general expenditures unless such costs are limited by the donors for specified, restricted purposes. Accordingly, the related resources for the latter have been excluded in the quantitative information detailing the financial assets available to meet general expenditures within one year.

Non-Cash Contributions

Donated books, property, marketable securities and other non-cash donations are recorded as contributions at their estimated fair value as of the date of donation.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Fair Value Measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Organization had no Level 3 assets or liabilities for the years presented.

Marketing and Promotion

The Organization expenses marketing and promotion costs as they are incurred.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The allocation of salaries, wages, benefits and payroll taxes are based on time and effort studies of staff members. The remaining categories on the statements of functional expenses are allocated based on approximate direct usage.

New Accounting Pronouncement

In 2016, the Financial Accounting Standards Board (FASB) issued *Accounting Standards Update (ASU) 2016-02, Leases*. ASU 2016-02 changes how an entity reports and measures all leases of property, plant, and equipment. The ASU is effective for annual periods beginning after December 15, 2021. Management is evaluating the impact the update will have on the Organization's financial statements.

Note 3 - Promises to Give

Promises to give represent consideration from various foundations, of which the Organization has an unconditional right to receive. The amounts due range up to \$75,000 each at December 31, 2020. All of the balances are expected to be collected within one year of the statement of financial position date.

Note 4 - Lease Agreements

In the fall of 2020, the Organization agreed to lease space under two arrangements that expire in December 2023. Future minimum lease payments for years 2021, 2022 and 2023 are \$91,260 annually.

Note 5 - Joint Project

The Organization has an oral agreement with a local government which allows the Organization to store some of its book inventory on the local government's property at no charge. No amount has been recognized in these financial statements for this donated space.

Note 6 - Employee Benefits

Effective March 2018, the Organization has a 403(b)-thrift plan that is available to its employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employer contributions amounted to \$21,284 and \$19,027 for the years ended December 31, 2020 and 2019, respectively.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Beneficial Interest in Assets Held by Community Foundation

In April 2017, the Organization transferred \$200,000 to the Triangle Community Foundation (the Foundation) in exchange for future distributions of the non-endowment agency fund (the Fund). The Fund consists of socially responsible investments with approximately 65% in equity securities and 35% in fixed income securities. The portfolio is considered to be a Level 2 item in the fair value hierarchy described in Note 2 above. In this case, investments are held in a pool of publicly traded assets. The pool of assets is valued based on the net asset value of the shares held by the pool. The Organization values its portion of the pool based on its respective percentage of the asset pool's total value.

The Board of Directors of the Foundation has complete legal and fiduciary control of assets of the Fund, including, but not limited to, full authority and discretion as to investment and reinvestment of assets. The Fund and all funds therein shall be administered by the Foundation subject to its Charter and Bylaws, including the power contained therein for the Board of Directors of the Foundation to modify any restrictions or conditions if in their sole judgment (without the approval of any trustee, custodian, or agent) such restrictions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.

Note 8 - Line of Credit

The Organization has an agreement with a local bank whereby it can borrow up to \$25,000 at a rate of prime (3.25% as of December 31, 2020) plus 4.0%. The note, which is renewable each year, matures on March 23, 2021. The Organization's deposits at the bank serve as collateral for this arrangement. The outstanding balance was \$-0- as of December 31, 2020 and December 31, 2019.

Note 9 - Forgivable Loan from the Small Business Administration

In April 2020, the Organization received a forgivable loan of \$168,300 under the Paycheck Protection Program (PPP) implemented by the Small Business Administration (SBA) with support from the U.S. Department of the Treasury. Repayment of the debt could be deferred for 10 months after the last day of the maximum covered period of 24 weeks (with extensions), followed by monthly principal and interest payments for eighteen months at an interest rate of 1% per annum. No payments were made in 2020.

Based on the SBA criteria and the loan agreement, the Organization expects the loan to be fully forgiven. If the debt is not forgiven in 2021, monthly payments of \$21,248 will be required until the loan is paid in full.

Note 10 - Donated Services

Donated services have not been reflected in the accompanying financial statements since they do not meet the criteria for recognition under U.S. GAAP. However, a substantial number of volunteers have donated significant amounts of their time to the Organization. Management estimates that it received approximately 4,460 and 7,700 volunteer hours for the years ended December 31, 2020 and 2019, respectively.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 11 - Conditional Grants

Four grantors have made funds available totaling \$515,000 based on the Organization's ability to perform specific services in years 2021 through 2023. No portion of this amount has been reflected as revenue or net assets in the accompanying financial statements.

Note 12 - Contingencies

Financial assistance from various awarding agencies is subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions.

Management is aware of no disallowable costs or instances of noncompliance with grantor restrictions. Consequently, no provision has been made for liabilities, if any, that may arise from such audits.

Note 13 - Restricted Net Assets

Restricted net assets consist of the following at December 31:

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Passage of time: | | |
| Promises to give | \$ 114,538 | \$ 179,076 |
| Specific purpose: | | |
| Book Babies | 500,000 | - |
| Events 2021 | 93,495 | - |
| Parental Programs and Partnership Development | <u>75,000</u> | <u>-</u> |
| | <u>\$ 783,033</u> | <u>\$ 179,076</u> |

Net assets released from restrictions in 2020 were entirely related to time-restricted promises to give totaling \$114,538.

Note 14 - Concentrations

The Organization received 31% of its revenue from one source in 2020. A significant reduction in this level of support, if this were to occur, could have a significant impact on the Organization's programs and activities.

Note 15 - Subsequent Events

In accordance with U.S. GAAP, the Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2020 through May 4, 2021, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure.

Book Harvest
Notes to Financial Statements
December 31, 2020 and 2019

Note 16 - Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet 180 days of operating expenses (approximately \$635,000).

The following represents the Organization's financial assets at December 31:

| | 2020 | 2019 |
|---|--------------|------------|
| Cash and cash equivalents | \$ 1,398,933 | \$ 533,102 |
| Investments | 265 | 4,734 |
| Promises to give | 235,037 | 184,943 |
| Accounts receivable | 8,239 | 3,039 |
| Beneficial interest in assets held by others | 354,283 | 231,100 |
| Total financial assets | 1,996,757 | 956,918 |
| Less amounts not available to be used within one year: | | |
| Beneficial interest in assets held by others | 10,000 | 10,000 |
| Net assets with donor restrictions | 783,033 | 179,076 |
| Less net assets with purpose restrictions to be met in less than a year | (114,538) | (114,538) |
| Board-designated operating reserve | 680,686 | 447,290 |
| | 1,359,181 | 521,828 |
| Financial assets available to meet general expenditures over the next twelve months | \$ 637,576 | \$ 435,090 |

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in money market funds. At December 31, 2020, the money market balance was \$576,403. This balance may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress. Additionally, the operating reserve consists of amounts held at the Triangle Community Foundation, as discussed in more detail in Note 7. Finally, the Organization has the line of credit mentioned in Note 8 above at its disposal.