



**SOUTHSIDE FAMILY
NURTURING CENTER**

Financial Statements

December 31, 2020

SOUTHSIDE FAMILY NURTURING CENTER

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southside Family Nurturing Center
Minneapolis, Minnesota

We have audited the accompanying financial statements of Southside Family Nurturing Center, which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 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.

INDEPENDENT AUDITOR'S REPORT, continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southside Family Nurturing Center as of December 31, 2020 and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Southside Family Nurturing Center's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

March 25, 2021

Akins Henke and Company

SOUTHSIDE FAMILY NURTURING CENTER

Statements of Financial Position

December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 603,721	301,373
Accounts receivable	2,157	-
Promises to give	155,402	142,586
Prepaid expenses	9,118	9,380
Loan costs, net	362	931
Total Current Assets	<u>770,760</u>	<u>454,270</u>
Loan costs, net	1,619	937
Unemployment trust funds	21,269	16,961
Promises to give	-	23,839
Land, building and equipment, net	<u>1,134,971</u>	<u>1,189,178</u>
TOTAL ASSETS	<u>\$ 1,928,619</u>	<u>1,685,185</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 11,480	21,038
Note payable	125,334	11,847
Accrued compensation	56,155	44,147
Accrued interest	405	574
Total Current Liabilities	<u>193,374</u>	<u>77,606</u>
Note payable	<u>295,390</u>	<u>264,707</u>
Total Liabilities	<u>488,764</u>	<u>342,313</u>
Net Assets:		
Without donor restrictions:		
Undesignated	1,252,475	1,186,085
Board designated	90,000	80,000
Total net assets without donor restrictions	<u>1,342,475</u>	<u>1,266,085</u>
With donor restrictions	<u>97,380</u>	<u>76,787</u>
Total Net Assets	<u>1,439,855</u>	<u>1,342,872</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,928,619</u>	<u>1,685,185</u>

See accompanying notes to the financial statements

SOUTHSIDE FAMILY NURTURING CENTER

Statement of Activities

For the Year Ended December 31, 2020

With Comparative Totals for 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>	<u>Total 2019</u>
SUPPORT AND REVENUE:				
Contributions:				
United Way	\$ 122,000	-	122,000	105,000
Corporations and foundations	569,674	44,161	613,835	419,695
Churches and civic groups	37,600	-	37,600	11,369
Individuals	126,364	3,000	129,364	146,763
In-kind goods and services	5,855	-	5,855	1,244
Minnesota Department of Education	79,609	-	79,609	78,202
Minnesota Department of Health	163,857	-	163,857	100,199
Total contributions	<u>1,104,959</u>	<u>47,161</u>	<u>1,152,120</u>	<u>862,472</u>
Program income	9,350	-	9,350	-
Miscellaneous	1,280	-	1,280	3,191
Total support and revenue	<u>1,115,589</u>	<u>47,161</u>	<u>1,162,750</u>	<u>865,663</u>
NET ASSETS RELEASED FROM RESTRICTIONS:				
Restrictions satisfied	<u>26,568</u>	<u>(26,568)</u>	<u>-</u>	<u>-</u>
EXPENSES:				
Program	848,600	-	848,600	793,400
Management and general	98,620	-	98,620	124,525
Fundraising	118,547	-	118,547	118,593
Total expenses	<u>1,065,767</u>	<u>-</u>	<u>1,065,767</u>	<u>1,036,518</u>
CHANGE IN NET ASSETS	76,390	20,593	96,983	(170,855)
NET ASSETS - BEGINNING OF YEAR	<u>1,266,085</u>	<u>76,787</u>	<u>1,342,872</u>	<u>1,513,727</u>
NET ASSETS - END OF YEAR	<u>\$ 1,342,475</u>	<u>97,380</u>	<u>1,439,855</u>	<u>1,342,872</u>

See accompanying notes to the financial statements

SOUTHSIDE FAMILY NURTURING CENTER

Statement of Functional Expenses
For the Year Ended December 31, 2020
With Comparative Totals For 2019

	<u>Education Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2020</u>	<u>Total 2019</u>
Salaries	\$ 500,621	28,984	86,028	615,633	605,437
Payroll taxes and unemployment	37,702	2,183	6,479	46,364	47,984
Employee benefits	<u>63,435</u>	<u>5,139</u>	<u>8,440</u>	<u>77,014</u>	<u>77,374</u>
Total personnel costs	601,758	36,306	100,947	739,011	730,795
Contract services	15,860	19,247	414	35,521	45,476
Program supplies and activities	67,407	-	-	67,407	33,857
Office supplies	1,184	25	104	1,313	418
Meal program	18,653	-	-	18,653	12,187
Legal and accounting	-	9,971	-	9,971	9,725
Training	6,477	99	403	6,979	22,771
Telephone and technology	14,112	304	1,246	15,662	9,535
Utilities	9,530	2,541	635	12,706	14,425
Insurance	11,580	3,088	772	15,440	14,319
Maintenance and repairs	33,716	8,991	2,248	44,955	42,189
Transportation	11,575	-	-	11,575	6,058
Equipment rent and maintenance	2,904	774	194	3,872	3,695
Public relations	1,700	2,500	5,302	9,502	12,579
Interest	9,935	2,649	662	13,246	13,160
Miscellaneous	-	870	2,806	3,676	11,109
Depreciation	40,656	10,841	2,710	54,207	53,025
Amortization of loan costs	<u>1,553</u>	<u>414</u>	<u>104</u>	<u>2,071</u>	<u>1,195</u>
Total expenses	<u>\$ 848,600</u>	<u>98,620</u>	<u>118,547</u>	<u>1,065,767</u>	<u>1,036,518</u>

See accompanying notes to the financial statements.

SOUTHSIDE FAMILY NURTURING CENTER

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 96,983	(170,855)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	54,207	53,025
Amortization of loan costs	2,071	1,195
Loss on disposal of equipment	-	7,363
Changes in assets and liabilities:		
Increase in accounts receivable	(2,157)	-
Decrease in promises to give	11,023	194,171
(Increase) decrease in prepaid expenses	262	(1,492)
Increase in unemployment trust funds	(4,308)	(5,585)
Increase (decrease) in accounts payable	(9,558)	10,455
Increase in accrued compensation	12,008	2,346
Increase (decrease) in accrued interest	(169)	130
Net cash provided by operating activities	<u>160,362</u>	<u>90,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(73,936)
Net cash used for investing activities	<u>-</u>	<u>(73,936)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(12,530)	(31,997)
Proceeds from payroll protection loan	156,700	-
Proceeds from bus note	-	19,273
Borrowings on line of credit	-	65,000
Repayment on line of credit	-	(65,000)
Loan closing costs	(2,184)	(268)
Net cash provided by (used for) financing activities	<u>141,986</u>	<u>(12,992)</u>
NET INCREASE IN CASH	302,348	3,825
CASH - BEGINNING OF YEAR	<u>301,373</u>	<u>297,548</u>
CASH - END OF YEAR	<u>\$ 603,721</u>	<u>301,373</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest in 2020 and 2019 was \$13,415 and \$13,030, respectively.

See accompanying notes to the financial statements

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization Purpose

Mission: “Together with families and community, we nurture children, build on family strengths, and find alternatives to violence.”

Southside Family Nurturing Center (the Center) serves children and families at-risk for abuse and neglect by providing a therapeutic center in the Phillips neighborhood of Minneapolis. The Center is primarily supported by private and family foundations, the Greater Twin Cities United Way, and individual donors.

The Center’s programs are as follows:

Education – Includes the early childhood education program which is a multi-cultural therapeutic pre-school program that serves children ages 16 months to 5 years, with a focus on helping each child develop healthy social/emotional, motor, self-regulation, and developmental skills, as well as academic kindergarten readiness skills.

Home Based Family Support – Provides supportive home visiting services to all families whose children are enrolled in the center-based education program. The program seeks to prevent abuse and neglect at the earliest stage possible by promoting nurturing parenting, skill development, individualized goal planning, and access to community support services related to education, housing, healthcare, and legal issues. Eligible participants are referred from many sources including county social services, community agencies, and by current clients.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under U.S. GAAP, the Center is required to report information regarding its financial position and activities according to two classes of net assets:

Without Donor Restrictions - Resources over which the Board of Directors and management has discretionary control. This includes \$90,000 and \$80,000 of funds designated by the Board of Directors as future operating reserves on December 31, 2020 and 2019, respectively.

With Donor Restrictions - Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Center, passage of time, or that will be maintained in perpetuity by the Center. Presently, the Center does not have any net assets that are required to be maintained in perpetuity.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Revenue and Support

The Center recognizes contributions when cash, securities, unconditional promises to give, or other assets are committed by the donor. Conditional contributions - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

State of Minnesota grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at December 31, 2020 and 2019, contributions approximating \$401,250 and \$552,408, respectively, have not been recognized in the accompanying financial statements because the conditions have not been met.

Contributions are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is 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 statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as support with donor restrictions and then released from restriction. Conditional restricted contributions whose restrictions and conditions are met in the same reporting period are recorded as support without donor restrictions.

Program fees consist of the delivery of remote early childhood education services provided by the Center. The performance obligation of delivering education services include a combination of online services and recorded lessons for a period of 8 weeks. The Center recognizes this revenue uniformly over the course of the 8-week period. There are no economic factors that affect the nature, amount, timing, or uncertainty of this revenue.

Promises to Give

Unconditional promises to give are recognized at net realizable value if due within one year, and at present value if due over one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Loan Costs

The Center capitalizes loan closing costs and amortizes the costs over the life of the loan. Amortization relating to these loan closing costs was \$2,071 and \$1,195, respectively, for 2020 and 2019.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Land, Building and Equipment

All major expenditures in excess of \$1,000 for land, building, and equipment are capitalized at cost. Contributed items are recorded at fair value at the date of the donation. Depreciation is provided using the straight-line method over 5 to 40 years for building and improvements, and over 5 to 10 years for equipment.

Cash

Cash is defined as cash in checking, savings, and cash on hand. The Center maintains checking and savings accounts at two financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020, the Center had \$96,979 of uninsured balances. At December 31, 2019, the Center had no uninsured balances.

Unemployment

The Center has elected to self-insure unemployment claims. The Center makes contributions to Unemployment Services Trust, which is a pooled fund used to pay unemployment claims made against the Center. As claims are paid out of the Center's fund, an expense is recorded on the statement of activities. Unemployment claims expense was \$1,358 and \$2,526 for 2020 and 2019, respectively.

Contributed Services

The Center receives donated services which meet the criteria for recognition as contributions, and, accordingly, are reported as in-kind contributions on the statement of activities. The Center also receives various donated services by board members, faculty, and other volunteers. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected in the accompanying financial statements.

Income Tax

The Center has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible.

It is the policy of the Center, in accordance with U.S. GAAP, to assess any uncertain tax positions and, if necessary, record a tax asset or liability, and the related income tax expense, for any uncertain tax positions. Management has analyzed the tax positions taken by the Center and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Functional Allocation of Expense

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on a square footage basis include depreciation, amortization of loan costs, maintenance and repairs, utilities, interest, insurance, and equipment rent and maintenance. Personnel costs are allocated on the basis of estimates of time worked in the various functions. Office supplies and telephone and technology expenses are allocated based on full-time staffing equivalents worked in the various functions.

Concentrations of Credit Risk Due to Promises to Give and Accounts Receivable

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of promises to give and accounts receivable. Promises to give and accounts receivable predominantly consist of amounts owed by governmental agencies and foundations. As of December 31, 2020, approximately 69% of the Center's promises to give are from three organizations. As of December 31, 2019, approximately 76% of the Center's promises to give are from three organizations.

Management believes concentrations of credit risk with respect to promises to give and accounts receivable are limited due to the nature of the promises to give. As of December 31, 2020 and 2019, management believes the Center had no significant concentrations of credit risk.

Concentrations of Contributions

During 2020, approximately 40% of the Center's total revenue came from three funders. During 2019, approximately 47% of the Center's total revenue came from three funders.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Prior Year Summarized Information

The financial statements include certain prior year summarized information in total but not by net asset class nor by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Reclassification

Certain 2019 amounts have been reclassified for comparability purposes with those of 2020.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure through March 25, 2021, the date which the financial statements were available for issue.

(2) **LIQUIDITY AND FINANCIAL ASSETS**

The Center regularly monitors liquidity required to meet its operating needs and structures its financial assets for availability as its general expenditures, liabilities, and other obligations come due. The Center invests cash in excess of daily requirements in a savings account. Board designated funds of \$90,000 are not available for operating needs unless approved by the Board. None of the Center's other financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. In the event of immediate liquidity needs, the Center has a committed line of credit in the amount of \$80,000 that can be drawn upon.

The following table reflects the Center's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

	<u>2020</u>	<u>2019</u>
Cash	\$ 603,721	301,373
Accounts receivable	2,157	
Promises to give	<u>155,402</u>	<u>166,425</u>
Total financial assets	761,280	467,798
Less amounts not available to be used within one year:		
Board designated	(90,000)	(80,000)
Donor restricted for use and time	<u>(25,000)</u>	<u>(23,839)</u>
Financial assets available within one year to meet cash needs for general expenditures	\$ <u>646,280</u>	<u>363,959</u>

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(3) **PROMISES TO GIVE**

Promises to give consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Amounts due in less than one year	\$ 155,402	142,586
Amounts due in one to five years	-	25,000
Less discount to net present value	<u>-</u>	<u>(1,161)</u>
Net unconditional promises to give	<u>\$ 155,402</u>	<u>166,425</u>

At December 31, 2019, the Center applied a discount rate of 1.58% on its long-term promises to give.

(4) **LAND, BUILDING AND EQUIPMENT**

Land, building and equipment consist of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Building and improvements	\$ 2,078,161	2,078,161
Land	5,000	5,000
Furniture and equipment	76,392	76,392
Vehicles	<u>47,458</u>	<u>47,458</u>
	2,207,011	2,207,011
Less: Accumulated depreciation	<u>(1,072,040)</u>	<u>(1,017,833)</u>
	<u>\$ 1,134,971</u>	<u>1,189,178</u>

(5) **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were comprised of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Restricted by donor for purpose:		
Family home visiting	\$ 60,000	73,839
Native American early childhood improvement	25,000	-
Arts programing	8,000	-
Classroom materials	<u>4,380</u>	<u>2,948</u>
Total	<u>\$ 97,380</u>	<u>76,787</u>

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(5) **NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Net assets were released from donor restrictions by incurring expenses that satisfy the restricted purpose, the passage of time, or other events specified by the donors. Net assets released from restriction were comprised of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Classroom materials	\$ 1,568	2,113
Bus purchases	-	47,358
Family home visiting	25,000	-
Satisfaction of time restrictions	<u>-</u>	<u>348,000</u>
Total	<u>\$ 26,568</u>	<u>397,471</u>

(6) **RETIREMENT PLAN**

The Center has a 403(b) plan in which employees can defer contributions. The Center did not contribute to the 403(b) plan during 2020 or 2019.

(7) **LEASES**

The Center has operating lease agreement for a copier which expires in June of 2022. Rent expense under this leases was \$2,832 for 2020 and 2019.

Future minimum rental payments under the leases are as follows:

2021	\$ 2,832
2022	<u>1,416</u>
Total	<u>\$ 4,248</u>

(8) **LINE OF CREDIT**

The Center has a line of credit with a maximum limit of \$80,000. The line of credit matures on December 18, 2021. The line of credit calls for monthly payments of interest and payment of any outstanding principal and interest on the maturity date. The interest rate is a variable interest rate of prime plus 0.5% and was 3.75% and 5.25% as of December 31, 2020 and 2019, respectively. The line of credit is secured by all business assets of the Center. The Center had no borrowings on the line of credit during 2020. There were borrowings of \$65,000 and repayments of \$65,000 during 2019.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements
December 31, 2020
with Comparative Totals for 2019

(9) NOTES PAYABLES

On December 18, 2014, the Center entered into a promissory note with an original balance of \$335,000 and a maturity date of December 18, 2021. The note called for monthly payments of principal and interest of \$2,078 and an estimated final payment of principal and interest of \$254,413 at maturity. The interest rate was fixed at 4.25% for five years, at which time the interest rate became a variable rate of prime plus 1.0%. The note was secured by a mortgage on the property of the Center. On May 8, 2020, the Center refinanced this promissory note with a principal balance of \$272,770 and a maturity date of April 18, 2027. The note calls for monthly principal and interest payments of \$2,089 and an estimated final payment of principal and interest of \$165,737 at maturity. The interest rate is fixed at 4.25% and the note is secured by a mortgage on the property of the Center.

In April of 2020, the Center received loan proceeds in the amount of \$156,700 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the PPP provides for loans to qualifying business in amounts up to 2.5 times their average monthly payroll expenses. PPP loans and accrued interest are forgivable after the elected eight or twenty-four week period as long as the borrower maintains its payroll levels and use the loan proceeds for eligible purposes. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two years at an interest rate of 1%.

The Center has recorded a note payable and will record forgiveness upon being legally released from the loan obligation. No forgiveness income has been recorded for the year ended December 31, 2020. Subsequent to year end, the Center received forgiveness of the entire loan.

Future principal payments on these notes, excluding the amounts subsequently forgiven for the PPP loan, are as follows:

2021	\$ 13,975
2022	14,589
2023	15,230
2024	15,873
2025	16,598
Thereafter	<u>187,759</u>
Total	\$ <u>264,024</u>

In addition, the Center had entered into a promissory note for the purchase of a bus in 2019. The note was for \$19,273, had a term of five years, a fixed interest rate of 5.0%, and called for monthly payments of principal and interest of \$364. The Center paid off the note in December of 2019.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2020

with Comparative Totals for 2019

(10) **IN-KIND CONTRIBUTIONS**

In-kind contributions consisted of the following for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Supplies	\$ 5,605	1,038
Accounting	<u>250</u>	<u>206</u>
Total	<u>\$ 5,855</u>	<u>1,244</u>

(11) **COVID-19**

The Covid-19 pandemic is having broad and negative impact on commerce and financial markets around the world. During 2020, the Center underwent closures based on government orders and CDC guidance. This has impacted the operations of the Center and its ability to function at full capacity. The Center has mitigated the impact of Covid-19 by obtaining a PPP loan to assist with cash flows and by generous support from its various donors. The extent of the impact of Covid-19 on the Centers operational and financial performance will depend on certain developments, including the duration and spread of the outbreaks and its impacts on the Center's clients and employees. The future financial impact of Covid-19 on the Center and duration of any economic factors or uncertainties cannot be reasonably estimated at this time.