



**SOUTHSIDE FAMILY
NURTURING CENTER**

Financial Statements

December 31, 2019

SOUTHSIDE FAMILY NURTURING CENTER

Table of Contents

Independent Auditor's Report.....	1-2
Statements of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows.....	6
Notes to the Financial Statements.....	7 – 15



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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, 2019 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, 2019 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

April 18, 2020

Akins Henke and Company

SOUTHSIDE FAMILY NURTURING CENTER

Statements of Financial Position

December 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash	\$ 301,373	297,548
Promises to give	142,586	360,596
Prepaid expenses	9,380	7,888
Loan costs, net	931	967
Total Current Assets	<u>454,270</u>	<u>666,999</u>
Loan costs, net	937	1,828
Unemployment trust funds	16,961	11,376
Promises to give	23,839	-
Land, building and equipment, net	<u>1,189,178</u>	<u>1,175,630</u>
TOTAL ASSETS	\$ <u>1,685,185</u>	<u>1,855,833</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 21,038	10,583
Note payable	11,847	12,619
Accrued compensation	44,147	41,801
Accrued interest	574	444
Total Current Liabilities	<u>77,606</u>	<u>65,447</u>
Note payable	<u>264,707</u>	<u>276,659</u>
Total Liabilities	<u>342,313</u>	<u>342,106</u>
Net Assets:		
Without donor restrictions:		
Undesignated	1,186,085	1,083,666
Board designated	80,000	80,000
Total Net Assets Without Donor Restrictions	<u>1,266,085</u>	<u>1,163,666</u>
With donor restrictions	<u>76,787</u>	<u>350,061</u>
Total Net Assets	<u>1,342,872</u>	<u>1,513,727</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,685,185</u>	<u>1,855,833</u>

See accompanying notes to the financial statements

SOUTHSIDE FAMILY NURTURING CENTER

Statement of Activities

For the Year Ended December 31, 2019

With Comparative Totals for 2018

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2019</u>	<u>Total</u> <u>2018</u>
SUPPORT AND REVENUE:				
Contributions:				
United Way	\$ 105,000	-	105,000	310,000
Corporations and foundations	345,856	73,839	419,695	239,046
Churches and civic groups	6,369	5,000	11,369	5,600
Individuals	101,405	45,358	146,763	104,145
In-kind goods and services	1,244	-	1,244	2,335
Minnesota Department of Education	78,202	-	78,202	67,404
Minnesota Department of Health	100,199	-	100,199	-
Total Contributions	<u>738,275</u>	<u>124,197</u>	<u>862,472</u>	<u>728,530</u>
Special fundraising event	-	-	-	28,350
Less cost of direct benefits to donors	-	-	-	(5,128)
Total Special Event	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,222</u>
Rental income	-	-	-	550
Miscellaneous	3,191	-	3,191	806
Total Support and Revenue	<u>741,466</u>	<u>124,197</u>	<u>865,663</u>	<u>753,108</u>
NET ASSETS RELEASED FROM RESTRICTIONS:				
Restrictions satisfied	<u>397,471</u>	<u>(397,471)</u>	<u>-</u>	<u>-</u>
EXPENSES:				
Program	793,400	-	793,400	741,615
Management and general	124,525	-	124,525	151,378
Fundraising	118,593	-	118,593	121,665
Total Expenses	<u>1,036,518</u>	<u>-</u>	<u>1,036,518</u>	<u>1,014,658</u>
CHANGE IN NET ASSETS	102,419	(273,274)	(170,855)	(261,550)
NET ASSETS - BEGINNING OF YEAR	<u>1,163,666</u>	<u>350,061</u>	<u>1,513,727</u>	<u>1,775,277</u>
NET ASSETS - END OF YEAR	<u>\$ 1,266,085</u>	<u>76,787</u>	<u>1,342,872</u>	<u>1,513,727</u>

See accompanying notes to the financial statements

SOUTHSIDE FAMILY NURTURING CENTER

Statement of Functional Expenses
For the Year Ended December 31, 2019
With Comparative Totals For 2018

	<u>Education Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2019</u>	<u>Total 2018</u>
Salaries	\$ 472,254	52,416	80,767	605,437	553,304
Payroll taxes and unemployment expense	37,429	4,154	6,401	47,984	57,190
Employee benefits	<u>61,387</u>	<u>8,502</u>	<u>7,485</u>	<u>77,374</u>	<u>68,656</u>
Total Personnel Costs	571,070	65,072	94,653	730,795	679,150
Contract services	23,109	17,817	4,550	45,476	83,216
Program supplies and activities	33,857	-	-	33,857	26,264
Office supplies	361	25	32	418	1,387
Meal program	12,187	-	-	12,187	10,984
Legal and accounting	-	9,725	-	9,725	9,512
Training	22,269	99	403	22,771	1,160
Telephone and technology	8,245	570	720	9,535	10,696
Utilities	10,819	2,885	721	14,425	14,943
Insurance	10,739	2,864	716	14,319	14,424
Maintenance and repairs	31,642	8,438	2,109	42,189	58,965
Transportation	6,058	-	-	6,058	19,139
Equipment rent and maintenance	2,771	739	185	3,695	3,918
Public relations	4,215	-	8,364	12,579	8,854
Interest	9,870	2,632	658	13,160	13,613
Miscellaneous	5,523	2,815	2,771	11,109	8,286
Depreciation	39,769	10,605	2,651	53,025	49,156
Amortization of loan costs	896	239	60	1,195	991
Special event expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,128</u>
Total Expenses	793,400	124,525	118,593	1,036,518	1,019,786
Less: expenses netted against revenues on the statement of activities:					
Special event expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,128)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	\$ <u>793,400</u>	<u>124,525</u>	<u>118,593</u>	<u>1,036,518</u>	<u>1,014,658</u>

See accompanying notes to the financial statements.

SOUTHSIDE FAMILY NURTURING CENTER

Statements of Cash Flows

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (170,855)	(261,550)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	53,025	49,156
Amortization of loan costs	1,195	991
Loss on disposal of equipment	7,363	2,852
Changes in assets and liabilities:		
Decrease in promises to give	194,171	48,708
Increase in prepaid expenses	(1,492)	(3,958)
(Increase) decrease in unemployment trust funds	(5,585)	21,238
Increase in accounts payable	10,455	46
Increase in accrued compensation	2,346	3,042
Increase (decrease) in accrued interest	130	(113)
Net cash provided by (used for) operating activities	<u>90,753</u>	<u>(139,588)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of asset	-	300
Purchase of equipment	<u>(73,936)</u>	<u>(6,263)</u>
Net cash used for investing activities	<u>(73,936)</u>	<u>(5,963)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(31,997)	(12,188)
Principal payments on capital lease	-	(4,282)
Proceeds from bus note	19,273	-
Borrowings on line of credit	65,000	-
Repayment on line of credit	(65,000)	-
Loan closing costs	<u>(268)</u>	<u>(60)</u>
Net cash used for financing activities	<u>(12,992)</u>	<u>(16,530)</u>
NET INCREASE (DECREASE) IN CASH	3,825	(162,081)
CASH - BEGINNING OF YEAR	<u>297,548</u>	<u>459,629</u>
CASH - END OF YEAR	<u>\$ 301,373</u>	<u>297,548</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest in 2019 and 2018 was \$13,030 and \$13,726, respectively.

See accompanying notes to the financial statements

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

(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.

Adoption of New Accounting Standards

The Center has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* and Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended. Management believes these standards improve the usefulness and understandability of the Center’s financial reporting.

Analysis of various provisions of these standards resulted in no significant changes in the way the Center recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

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

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 \$80,000 of funds designated by the Board of Directors as future operating reserves.

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.

Revenue and Support

The Center recognizes contributions when cash, securities, unconditional promises to give, or other assets are committed by the donor. The Center records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. 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, 2019 and 2018, contributions approximating \$552,408 and \$31,202, 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.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

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

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 \$1,195 and \$991, respectively, for 2019 and 2018.

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 and Cash Equivalents

Cash is defined as cash in checking, savings, and cash on hand. The Center maintains checking and savings accounts at two financial institution. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2019 and 2018, 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 \$2,526 and \$15,359 for 2019 and 2018, 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.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

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

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, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

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

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of promises to give. Promises to give predominantly consist of amounts owed by governmental agencies and foundations. As of December 31, 2019, approximately 76% of the Center's promises to give are from three organizations. As of December 31, 2018, approximately 82% of the Center's promises to give are from two organizations.

Management believes concentrations of credit risk with respect to promises to give are limited due to the nature of the promises to give. As of December 31, 2019 and 2018, management believes the Center had no significant concentrations of credit risk.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

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

Concentrations of Contributions

During 2019, approximately 47% of the Center's total revenue came from three funders. During 2018, approximately 51% of the Center's total revenue came from two 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.

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, 2018, from which the summarized information was derived.

Reclassification

Certain 2018 amounts have been reclassified for comparability purposes with those of 2019.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure through April 18, 2020, 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 \$80,000 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.

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

(2) **LIQUIDITY AND FINANCIAL ASSETS, (continued)**

The following table reflects the Center's financial assets as of December 31, 2019 and 2018, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

	2019	2018
Cash	\$ 301,373	297,518
Promises to give	<u>166,425</u>	<u>360,596</u>
Total financial assets	467,798	658,144
Less amounts not available to be used within one year:		
Board designated	(80,000)	(80,000)
Donor restricted for use and time	<u>(23,839)</u>	<u> -</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>363,959</u>	<u>578,114</u>

(3) **PROMISES TO GIVE**

Promises to give consisted of the following at December 31, 2019 and 2018:

	2019	2018
Amounts due in less than one year	\$ 142,586	360,596
Amounts due in one to five years	25,000	-
Less discount to net present value	<u>(1,161)</u>	<u> -</u>
Net unconditional promises to give	\$ <u>166,425</u>	<u>360,596</u>

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, 2019 and 2018:

	2019	2018
Building and Improvements	\$ 2,078,161	2,069,061
Land	5,000	5,000
Furniture and Equipment	76,392	70,129
Vehicles	<u>47,458</u>	<u> -</u>
	2,207,011	2,144,190
Less Accumulated Depreciation	<u>(1,017,833)</u>	<u>(968,560)</u>
	\$ <u>1,189,178</u>	<u>1,175,630</u>

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Restricted by Donor for Purpose:		
Family Home Visiting	\$ 73,839	-
Classroom Materials	2,948	2,061
Restricted by Donor for Time	<u>-</u>	<u>348,000</u>
Total	\$ <u>76,787</u>	<u>350,061</u>

Net assets were released from donor restrictions by incurring expenses that satisfy the restricted purpose or other events specified by the donors. Net assets released from restriction were comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
Classroom Materials	\$ 2,113	2,061
Bus Purchases	47,358	-
Satisfaction of Time Restrictions	<u>348,000</u>	<u>348,000</u>
Total	\$ <u>397,471</u>	<u>350,061</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 2019 or 2018.

(7) LEASES

The Center has operating lease agreement for a copier and had an operating lease for a bus. The bus lease expired during 2018. Rent expense under these leases was \$2,832 and \$11,510 for 2019 and 2018, respectively.

Future minimum rental payments under the leases are as follows:

2020	\$ 2,832
2021	2,832
2022	<u>1,416</u>
Total	\$ <u>7,080</u>

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

(8) **NOTES PAYABLE**

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 calls 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 is fixed at 4.25% for five years, at which time the interest rate becomes a variable rate of prime plus 1.0%. The note is secured by a mortgage on the property of the Center.

Future principal payments on the note are as follows:

2020	\$ 11,847
2021	<u>264,707</u>
Total	<u>\$ 276,554</u>

In addition, the Center entered into a promissory note for the purchase of a bus. 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.

(9) **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, 2020. 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 5.25% and 6.0% as of December 31, 2019 and 2018, respectively. The line of credit is secured by all business assets of the Center. The Center had borrowings of \$65,000 and had repayments of \$65,000 during 2019. There were no borrowings on the line of credit during 2018.

(10) **IN-KIND CONTRIBUTIONS**

In-kind contributions consisted of the following for 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Supplies	\$ 1,038	835
Accounting	<u>206</u>	<u>1,500</u>
Total	<u>\$ 1,244</u>	<u>2,335</u>

SOUTHSIDE FAMILY NURTURING CENTER

Notes to the Financial Statements

December 31, 2019

with Comparative Totals for 2018

(11) **SUBSEQUENT EVENTS**

In March of 2020, the COVID-19 outbreak in the United States had and continues to have a significant impact on the operations of the Center. The State of Minnesota has undergone a “stay at home” order for the period of March 28, 2020 to May 4, 2020. The Center has suspended face-to-face services and the last day of services in the Center was March 13, 2020. The Center continues to support families during this time remotely. The result of the above factors are economic uncertainties which could negatively impact the revenue of the Center. The financial impact and duration of these economic uncertainties cannot be reasonably estimated at this time.

In April of 2020, the Center applied for and received approval of loan funding from the Small Business Administration through the Payroll Protection Program as approved by the Coronavirus Aid, Relief, and Economic Security Act to enable uninterrupted and continued payment of payroll, utilities, and other authorized operational expenses. Such loans through the Payroll Protection Program may be forgiven if the expenses are spent on qualified expenses.