



# **Nonviolent Peaceforce, Inc.**

## **Financial Statements**

**Years Ended December 31, 2019 and 2018**

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **Nonviolent Peaceforce, Inc.**

---

## **Financial Statements**

**Years Ended December 31, 2019 and 2018**

# Nonviolent Peaceforce, Inc.

## Contents

---

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position as of December 31, 2019 and 2018	2
Statements of Activities for the Years Ended December 31, 2019 and 2018	3
Statements of Functional Expenses for the Years Ended December 31, 2019 and 2018	4
Statements of Cash Flows for the Years Ended December 31, 2019 and 2018	5
Notes to Financial Statements	6



Tel: 612-367-3000  
Fax: 612-367-3001  
www.bdo.com

800 Nicollet Mall, Suite 600  
Minneapolis, MN 55402

## Independent Auditor's Report

Board of Directors  
Nonviolent Peaceforce, Inc.  
St. Paul, Minnesota

We have audited the accompanying financial statements of Nonviolent Peaceforce, Inc. (a non-profit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nonviolent Peaceforce, Inc. as of December 31, 2019 and 2018, 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.

*BDO USA, LLP*

June 29, 2020

## Financial Statements

---

# Nonviolent Peaceforce, Inc.

## Statements of Financial Position

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 336,539	\$ 620,558
Pledges receivable, net of allowance for doubtful accounts of \$0 and \$4,000, respectively	284,696	153,321
Contributions receivable	39,441	59,798
Related party receivable	-	113,745
Investments	409,876	327,695
Prepaid expenses and other current assets	32,925	11,804
<b>Total Current Assets</b>	<b>1,103,477</b>	<b>1,286,921</b>
Pledges receivable - long-term, net of present value discount of \$1,923 and \$9,788, respectively	36,957	119,995
Property and equipment, net	933	506
Deposits	2,799	2,799
<b>Total Assets</b>	<b>\$ 1,144,166</b>	<b>\$ 1,410,221</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Related party payable	\$ 65,041	\$ -
Accounts payable	9,498	528,433
Accrued vacation and payroll liabilities	11,449	10,543
Other accrued liabilities	19,602	5,792
<b>Total Current Liabilities</b>	<b>105,590</b>	<b>544,768</b>
<b>Net Assets</b>		
Without donor restrictions	612,915	375,181
With donor restrictions	425,661	490,272
<b>Total Net Assets</b>	<b>1,038,576</b>	<b>865,453</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,144,166</b>	<b>\$ 1,410,221</b>

*See accompanying independent auditor's report and notes to financial statements.*

# Nonviolent Peaceforce, Inc.

## Statements of Activities

<i>Years Ended December 31,</i>	2019			2018		
	Without donor Restrictions	With donor Restrictions	Total	Without donor Restrictions	With donor Restrictions	Total
<b>Support and Revenue</b>						
Foundations/corporations-grants and contributions	\$ 169,883	\$ 168,766	\$ 338,649	\$ 426,205	\$ 229,008	\$ 655,213
Individual contributions	892,961	164,815	1,057,776	834,802	221,206	1,056,008
In-kind donations	2,936	-	2,936	24,359	-	24,359
Other income	7,503	-	7,503	-	-	-
Investment returns, net	78,216	1,181	79,397	-	-	-
Net assets released from donor restrictions	399,373	(399,373)	-	685,179	(685,179)	-
<b>Total Support and Revenue</b>	<b>1,550,872</b>	<b>(64,611)</b>	<b>1,486,261</b>	<b>1,970,545</b>	<b>(234,965)</b>	<b>1,735,580</b>
<b>Expense</b>						
Program	840,024	-	840,024	1,333,650	-	1,333,650
Management, Governance and General	178,235	-	178,235	229,034	-	229,034
Fundraising	294,879	-	294,879	268,276	-	268,276
<b>Total Expense</b>	<b>1,313,138</b>	<b>-</b>	<b>1,313,138</b>	<b>1,830,960</b>	<b>-</b>	<b>1,830,960</b>
Change in net assets	237,734	(64,611)	173,123	139,585	(234,965)	(95,380)
<b>Net Assets, beginning of year</b>	<b>375,181</b>	<b>490,272</b>	<b>865,453</b>	<b>235,596</b>	<b>725,237</b>	<b>960,833</b>
<b>Net Assets, end of year</b>	<b>\$ 612,915</b>	<b>\$ 425,661</b>	<b>\$ 1,038,576</b>	<b>\$ 375,181</b>	<b>\$ 490,272</b>	<b>\$ 865,453</b>

*See accompanying independent auditor's report and notes to financial statements.*

**Nonviolent Peaceforce, Inc.**  
**Statements of Functional Expenses**

Years Ended December 31,	2019				2018			
	Program	Management, Governance and General	Fundraising	Total	Program	Management, Governance and General	Fundraising	Total
Salaries - U.S. staff	\$ 191,725	\$ 65,926	\$ 154,843	\$ 412,494	\$ 193,888	\$ 89,400	\$ 128,340	\$ 411,628
Benefits	8,013	10,253	7,186	25,452	6,277	1,427	7,312	15,016
Payroll taxes	16,004	5,664	12,751	34,419	18,961	5,604	11,826	36,391
Contracted employees	44,748	2,275	1,635	48,658	38,996	-	4,282	43,278
Professional services	40,299	52,969	21,843	115,111	10,758	11,174	47,643	69,575
In-kind donations	2,936	-	-	2,936	2,336	22,023	-	24,359
Contributions to NP AISBL	425,000	-	-	425,000	920,919	-	-	920,919
Travel	56,267	6,321	5,854	68,442	89,682	7,012	8,435	105,129
Office rent	5,808	5,808	5,809	17,425	14,995	8,387	8,355	31,737
Internet and telecommunications	3,006	767	1,582	5,355	2,189	860	1,158	4,207
Copying and printing	8,452	1,814	49,860	60,126	8,956	2,079	21,963	32,998
Postage and shipping	1,650	1,769	7,736	11,155	3,236	562	7,648	11,446
Supplies	7,412	12,432	7,254	27,098	6,163	6,418	6,040	18,621
Equipment expense	1,587	1,121	1,415	4,123	1,649	914	836	3,399
Promotional items and expenses	-	-	-	-	65	-	25	90
Advertising	869	144	7,162	8,175	-	-	-	-
Special events	-	-	-	-	5,500	-	-	5,500
Meetings and training	22,221	1,468	1,166	24,855	3,225	918	2,185	6,328
Membership and registration fees	4,000	298	4,288	8,586	1,050	2,282	5,180	8,512
Bank, credit card and exchange fees	27	1,538	4,495	6,060	11	2,452	6,114	8,577
Insurance	-	6,695	-	6,695	1,743	1,164	934	3,841
Cybersecurity incident	-	-	-	-	-	66,358	-	66,358
Depreciation expense	-	973	-	973	3,051	-	-	3,051
<b>Total Expenses</b>	<b>\$ 840,024</b>	<b>\$ 178,235</b>	<b>\$ 294,879</b>	<b>\$ 1,313,138</b>	<b>\$ 1,333,650</b>	<b>\$ 229,034</b>	<b>\$ 268,276</b>	<b>\$ 1,830,960</b>

*See accompanying independent auditor's report and notes to financial statements.*



# Nonviolent Peaceforce, Inc.

## Statements of Cash Flows

<i>Years Ended December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Change in net assets	\$ 173,123	\$ (95,380)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	973	3,051
Net unrealized gain on investments	(58,752)	(2,695)
Net realized gain on investments	(13,364)	-
(Increase) decrease in assets:		
Related party receivable	113,745	(56,208)
Pledges receivable, net	(48,337)	184,278
Contributions receivable	20,357	26,793
Prepaid expenses and other current assets	(21,121)	(1,763)
Increase (decrease) in liabilities:		
related party payable	65,041	-
Accounts payable	(518,935)	525,604
Accrued vacation and payroll liabilities	906	7,357
Other accrued liabilities	13,810	46
Net cash (used in) provided by operating activities	<b>(272,554)</b>	<b>591,083</b>
<b>Investing Activities</b>		
Deposits received	-	1,300
Purchase of investments	(10,065)	(325,000)
Purchase of property and equipment	(1,400)	-
Net cash used in investing activities	<b>(11,465)</b>	<b>(323,700)</b>
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	<b>(284,019)</b>	<b>267,383</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>620,558</b>	<b>353,175</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 336,539</b>	<b>\$ 620,558</b>

*See accompanying independent auditor's report and notes to financial statements.*

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

### 1. Summary of Significant Accounting Policies

#### *Organization*

Nonviolent Peaceforce, Inc. (“the Organization”) was incorporated on February 20, 2002 under the State of Minnesota’s Nonprofit Corporations Act and is located in St. Paul, Minnesota. The Organization serves as a United States fundraising office for Nonviolent Peaceforce (“NP”) a global nonprofit organization whose purpose is to increase the safety of civilians through trained unarmed civilian peacekeepers. In partnership with local groups, these peacekeepers apply proven nonviolent strategies to protect human rights, deter violence, and help create space for local peacemakers to carry out their work. The US office is responsible for advocacy, outreach, communications, education and private philanthropy. NP’s head office is located in Geneva, Switzerland, and along with the US office in St. Paul, NP has offices in Brussels, Belgium (“NP AISBL”), the Philippines, South Sudan, Iraq, and Myanmar. NP currently has active operations in South Sudan, Syria, Iraq, Myanmar, and the Philippines.

#### *Basis of Accounting*

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### *Display of Net Assts by Class*

The Organization’s assets, liabilities, net assets, and revenues are segregated into classes according to the uses of related resources.

The net assets of the Organization are reported in each of the following classes: (a) net assets without donor restrictions and (b) net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use or due to the passage of time. All other net assets, including Board-designated or appropriated amounts, are legally unrestricted and are reported as part of net assets without donor restrictions class.

#### *Revision of Previously Issued Financial Statements for Correction of Immaterial Errors*

Subsequent to the issuance of the 2018 financial statements, errors were identified regarding the improper classification of certain investments as cash and cash equivalents as of December 31, 2018. The Company assessed the materiality of these errors considering both qualitative and quantitative factors and determined them to be immaterial. The 2018 financial statements were revised to facilitate comparability between the current and prior period. There were no impacts to the statement of activities or statement of functional expenses for the year ended December 31, 2018.

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

The following tables summarize the impact and financial statement line items affected by the revision:

	December 31, 2018		
	As Previously		
Statement of Financial Position:	Reported	Adjustments	As Revised
Cash and cash equivalents	948,253	(327,695)	620,558
Investments	-	327,695	327,695

	December 31, 2018		
	As Previously		
Statement of Cash Flows:	Reported	Adjustments	As Revised
<u>Operating Activities:</u>			
Net unrealized gain on investments	-	(2,695)	(2,695)
Net cash provided by operating activities	593,778	(2,695)	591,083
<u>Investing Activities:</u>			
Purchase of investments	-	(325,000)	(325,000)
Net cash used in investing activities	1,300	(325,000)	(323,700)
Increase in cash and cash equivalents	595,078	(327,695)	267,383
Cash and cash equivalents, end of year	948,253	(327,695)	620,558

### ***Fair Value of Financial Instruments***

The Organization adheres to Financial Accounting Standard Board guidance, which establishes a framework for measuring fair value. The 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy and corresponding inputs to the valuation methodology are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in inactive markets, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data and;

Level 3: Inputs that are unobservable and significant to the fair value measurement.

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

As required by the guidance, instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2019 and 2018, the Organization has an investment in a balanced collective investment fund. Withdrawals can be made at any time, based on the unit price on the date of withdrawal. The Organization values its investment in the balanced collective investment fund using the net asset value as a practical expedient and accordingly the investment is not included within a level of the fair value hierarchy.

The valuation method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value.

### ***Cash and Cash Equivalents***

The Organization considers all cash and donated securities pending liquidation at year-end to be cash and cash equivalents.

### ***Investments Returns, Net***

Realized gains or losses arising from the sale of investments are determined on the basis of specific identification of the units sold. Dividends are recorded on the ex-dividend date and interest is recognized on an accrual basis. As gains and losses from investment related activities result from peripheral or incidental transactions largely beyond the control of the Organization and its management, they are reported within the Statement of Activities on a net basis.

### ***Concentration of Credit Risk***

The Federal Deposit Insurance Corporation insures accounts up to \$250,000. At times, the Organization's cash balances may exceed the insured limits. The Organization did not experience any losses in these accounts during the years ended December 31, 2019 and 2018.

### ***Grants and Contributions***

Grants and contributions receivable are recorded at net realizable value. An allowance is estimated for accounts that are not expected to be collected. As of December 31, 2019 and 2018, there are no amounts being allowed for contributions receivable.

### ***Pledges Receivable***

The pledges receivable balance includes pledges made by donors and are recorded at the time an unconditional pledge is made by the donor. An allowance is estimated for pledges that are not likely to be collected. Pledges are written off once the Organization has exhausted all efforts of collection. Pledges expected to be received more than one year from the statement of financial position date are discounted to present value. As of December 31, 2019 and 2018, the long-term pledges are discounted at an annual interest rate of 4.75% and 5.5%, respectively.

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

### ***Property and Equipment***

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Computers and equipment	3-years
-------------------------	---------

### ***Recognition of Revenue***

Contributions and gifts are recognized as revenue as they are pledged or received. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires or is met, 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 donor restrictions. Donated stock is sold immediately upon receipt.

### ***Contributed Goods and Services***

Contributions of noncash assets and materials are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations, are recorded at their fair values in the period received.

### ***Concentrations of Revenue Sources***

The Organization derived approximately 13% and 17% of its support and revenue from one source at December 31, 2019 and 2018, respectively. Approximately 73% and 70% of the Organization's pledges receivable is due from five donors at December 31, 2019 and 2018, respectively.

### ***Allocation of Functional Expenses***

Except for certain items allocated on a direct basis, all expenses are allocated among the program, management and general, and fundraising categories based on management's best estimate of actual amounts expended or time allocated to those categories.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Income Taxes***

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and applicable state statutes and generally is not subject to income taxes. The Organization follows

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

the provisions of accounting for uncertainty in income taxes. This standard clarifies the accounting for uncertainties in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized.

The Organization's tax returns are subject to review by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The tax returns for the years 2016 to 2018 are open to examination by federal and state authorities.

### 2. Pledges Receivable, Net

Pledges receivable at December 31, 2019 are expected to be collected in the following periods:

*Year Ending December 31,*

2020	\$	284,696
2021		35,520
2022		3,020
2023		340
<hr/>		
<b>Total pledges receivable</b>		<b>323,576</b>
Less: Allowance for uncollectible pledges		-
Current portion		(284,696)
Net present value discount		(1,923)
<hr/>		
<b>Net non-current pledges receivable</b>	<b>\$</b>	<b>36,957</b>

There were no conditional or pledges made through a donor advised fund as of December 31, 2019 or 2018.

### 3. Property and Equipment, Net

Property and equipment consists of the following at December 31:

	2019	2018
Computers and equipment	\$ 53,244	\$ 51,844
Less: Accumulated depreciation	(52,311)	(51,338)
<b>Property and equipment, net</b>	<b>\$ 933</b>	<b>\$ 506</b>

Depreciation expense was \$973 and \$3,051 for the years ended December 31, 2019 and 2018, respectively.

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

### 4. Net Assets with Donor Restrictions - Purpose Restricted and Time Restricted

Purpose and time restricted net assets consist of grants and donations designated for specific purposes or designated to be expensed in subsequent years, as of December 31, 2019 are as follows:

	2019	2018
<hr/>		
Donations - time restricted:		
Pledge receivables	\$ 193,445	\$ 254,388
<hr/>		
Donations - purpose restricted:		
Advocacy and outreach	-	85,322
Holthues Trust	59,322	-
Emerging Crisis Fund	40,495	36,545
Sustainability Fund	11,165	-
Commission on the Status of Women	-	148
Ukraine	-	9,756
Nigeria	29,520	5,000
Philippines	-	200
South Sudan	1,000	825
Standing Rock	-	8,868
Burundi	-	122
Myanmar	2,789	1,120
UCP scholarships	-	1,615
UN advocacy fund	2,500	-
Good Practices	85,425	86,363
<hr/>		
Total donations	232,216	235,884
<hr/>		
<b>Total Purpose Restricted and Time Restricted Net Assets</b>	<b>\$ 425,661</b>	<b>\$ 490,272</b>

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

### 5. Net Assets Released from Donor Restrictions

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. The Organization incurred expenses during the year ended December 31, 2019 related to the following as required by the donor.

	2019	2018
Emerging Crisis Fund	\$ -	\$ 36,750
Pledge receivables - restricted for time	141,736	417,583
Australian Mission	50,000	-
Advocacy and outreach	36,288	124,522
Good Practices	46,201	89,563
Holthues Trust	110,161	-
Africa	12,756	-
Burundi	2,231	-
Commission on the Status of Women	-	2,892
Myanmar	-	13,869
<b>Total net assets released from restriction</b>	<b>\$ 399,373</b>	<b>\$ 685,179</b>

### 6. Liquidity and Available Resources

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

Cash and cash equivalents	\$ 336,539
Pledges receivable	284,696
Contributions receivable	39,441
Investments	409,876
Total financial assets	1,070,552
Less those unavailable for general expenditure within one year, due to:	
Donor restrictions	(232,216)
	<u>\$ 838,336</u>

The Organization has a goal to maintain financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management routinely monitors liquidity and available resources as part of the Organization's regular reporting cycle.



# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

### 7. Lease Commitments

The Organization has one operating lease on copiers which is set to expire in May 2020. In addition, the Organization leases an office in Saint Paul, Minnesota under a five-year non-cancelable agreement expiring February 2021, which requires escalating monthly rent payments ranging from \$1,346 to \$1,488. Additionally, this lease requires additional allocated monthly common area maintenance payments.

Future minimum lease obligations are as follows:

*Year Ending December 31,*

2020	\$	20,140
2021		2,975
<b>Total minimum lease payments</b>	<b>\$</b>	<b>23,115</b>

Total rent expense for all leases was \$42,971 and \$31,737 for the years ended December 31, 2019 and 2018, respectively.

### 8. In-Kind Donations

In-kind donations include the following for the years ended December 31:

	2019	2018
Legal	\$ -	\$ 21,915
Donated travel	2,936	536
Other donated goods	-	1,908
<b>Total in-kind donations</b>	<b>\$ 2,936</b>	<b>\$ 24,359</b>

The organization also receives volunteer services that are not included in the financial statements, as they do not meet the criteria for recognition.

### 9. Related Parties

Funds transferred to related parties for program expenses for the years ended December 31 are as follows:

	2019	2018
Nonviolent Peaceforce AISBL	\$ 725,000	\$ 420,919

At December 31, 2019 and 2018, the Organization had an account payable to Nonviolent Peaceforce AISBL of \$65,041 and \$500,000 which were transferred during 2020 and 2019, respectively.

At December 31, 2019 and 2018, the Organization had \$0 and \$113,745, respectively, of advances to Nonviolent Peaceforce AISBL that will be used to fund program expenses in 2019 and 2020.

# Nonviolent Peaceforce, Inc.

## Notes to Financial Statements

---

### 10. Cybersecurity Incident

In June 2018, the Organization was the victim of an international cyber crime whereby the Organization incurred a loss of \$66,358 for the year ended December 31, 2018 as disclosed in the statement of functional expenses. The Organization reported this incident to its insurance company and to appropriate authorities. Following this incident, the Organization put in place additional security protocols to protect against such an incident in the future.

### 11. Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in these financial statements through June 29, 2020, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Organization’s operations are heavily dependent on private and public donations from individuals, foundations, and grants. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress donations during fiscal year 2020. As such, this may hinder our ability to advance our mission. It may also lead the Organization to seek additional sources of financing. As such, our financial condition and liquidity may be negatively impacted for the fiscal year 2020.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things includes provisions relating to refundable payroll tax credits and deferment of employer side social security payments. It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The Organization has applied for and received, funds under the Paycheck Protection Program in May 2020 in the amount of \$98,700. The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account their current business activity and ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having qualified for the loan and qualifying for the forgiveness of such loan based on our future adherence to the forgiveness criteria. This loan carries an interest rate of 1% and if not forgiven requires monthly payments starting six months after the date of the loan.