
THE STEWARDSHIP NETWORK

FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
The Stewardship Network
Ann Arbor, Michigan

We have reviewed the accompanying financial statements of The Stewardship Network (a nonprofit corporation), 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Stewardship Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Respectfully,

Bennett & Associates, CPAs PLLC

Ann Arbor, Michigan
September 17, 2021

THE STEWARDSHIP NETWORK
STATEMENTS OF FINANCIAL POSITION
December 31,

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 156,526	\$ 113,330
Accounts receivable	42,816	15,707
Prepaid expenses	9,778	21,687
Website development costs, net	24,283	-
Beneficial interest in assets held by Community Foundation for Southeast Michigan	13,948	-
TOTAL ASSETS	\$ 247,351	\$ 150,724
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 22,244	\$ 11,115
Accrued liabilities	14,746	11,869
Line of credit	-	10,000
Deferred revenue	5,948	41,848
Refundable advance under Paycheck Protection Program	45,200	-
Refundable advances - other	53,236	-
TOTAL LIABILITIES	141,374	74,832
NET ASSETS		
Without donor restrictions	91,829	72,892
With donor restrictions	14,148	3,000
TOTAL NET ASSETS	105,977	75,892
TOTAL LIABILITIES AND NET ASSETS	\$ 247,351	\$ 150,724

THE STEWARDSHIP NETWORK
STATEMENTS OF ACTIVITIES
For the years ended December 31,

	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions	\$ 95,530	\$ 80,190
Grants and contracts	383,667	212,791
Annual conference	71,795	68,857
Program service fees	73,735	60,228
Other revenue and support	673	1,068
	<u>625,400</u>	<u>423,134</u>
Net assets released from restrictions	-	-
Net asset transfer	<u>(9,000)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS	<u>616,400</u>	<u>423,134</u>
EXPENSES		
Program services	547,968	370,969
Supporting services		
Management and general	42,076	43,607
Fundraising	7,419	3,959
TOTAL EXPENSES	<u>597,463</u>	<u>418,535</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>18,937</u>	<u>4,599</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	200	1,000
Net investment return	1,948	-
Net assets released from restrictions	-	-
Net asset transfer	<u>9,000</u>	<u>-</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>11,148</u>	<u>1,000</u>
CHANGE IN NET ASSETS	30,085	5,599
NET ASSETS AT BEGINNING OF YEAR	<u>75,892</u>	<u>70,293</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 105,977</u></u>	<u><u>\$ 75,892</u></u>

THE STEWARDSHIP NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020, with comparable totals for 2019

	Program Services	Supporting Services Management and General	Fundraising	Total 2020	Total 2019
Employee Compensation					
Salaries and wages	\$ 289,139	\$ 17,213	\$ 3,037	\$ 309,389	\$ 217,154
Employee benefits	16,209	516	91	16,816	8,832
Payroll taxes	22,458	1,337	236	24,031	17,373
	<u>327,806</u>	<u>19,066</u>	<u>3,364</u>	<u>350,236</u>	<u>243,359</u>
Other Expenses					
Accounting fees	-	16,025	-	16,025	15,971
Fees for services - other	87,704	1,792	-	89,496	23,528
Office expenses	2,137	2,510	552	5,199	6,299
Information technology	27,630	31	1,200	28,861	17,450
Occupancy	18,915	1,028	617	20,560	20,560
Travel	2,563	-	-	2,563	7,269
Conferences and meetings	75,374	-	-	75,374	79,300
Interest expense	-	178	-	178	509
Depreciation and amortization	3,885	486	486	4,857	-
Insurance	1,834	940	-	2,774	2,638
Staff training and development	120	-	-	120	515
All other	-	20	1,200	1,220	1,137
	<u>-</u>	<u>20</u>	<u>1,200</u>	<u>1,220</u>	<u>1,137</u>
Total expenses	<u>\$ 547,968</u>	<u>\$ 42,076</u>	<u>\$ 7,419</u>	<u>\$ 597,463</u>	<u>\$ 418,535</u>

THE STEWARDSHIP NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2019

	Program Services	Supporting Services Management and General	Fundraising	Total 2019
Employee Compensation				
Salaries and wages	\$ 199,154	\$ 15,300	\$ 2,700	\$ 217,154
Employee benefits	8,292	459	81	8,832
Payroll taxes	15,933	1,224	216	17,373
	<u>223,379</u>	<u>16,983</u>	<u>2,997</u>	<u>243,359</u>
Other Expenses				
Accounting fees	-	15,971	-	15,971
Fees for services - other	19,784	3,744	-	23,528
Office expenses	2,949	3,005	345	6,299
Information technology	17,202	248	-	17,450
Occupancy	18,915	1,028	617	20,560
Travel	7,237	32	-	7,269
Conferences and meetings	79,300	-	-	79,300
Interest expense	-	509	-	509
Depreciation and amortization	-	-	-	-
Insurance	1,438	1,200	-	2,638
Staff training and development	515	-	-	515
All other	250	887	-	1,137
	<u>250</u>	<u>887</u>	<u>-</u>	<u>1,137</u>
Total expenses	<u>\$ 370,969</u>	<u>\$ 43,607</u>	<u>\$ 3,959</u>	<u>\$ 418,535</u>

THE STEWARDSHIP NETWORK
STATEMENTS OF CASH FLOWS
For the years ended December 31,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 30,085	\$ 5,599
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation and amortization	4,857	-
Change in beneficial interest in assets held by others	(1,948)	-
Changes in operating assets and liabilities		
Accounts receivable	(27,109)	29,635
Prepaid expenses	11,909	7,512
Accounts payable	11,129	11,115
Accrued liabilities	2,877	3,641
Deferred revenue	(35,900)	(5,753)
Refundable advances	98,436	(7,013)
Net cash from (used for) operating activities	94,336	44,736
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(29,140)	-
Transfer of assets to community foundation	(12,000)	-
Net cash from (used for) investing activities	(41,140)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (repayments) under line of credit	(10,000)	10,000
Net cash from (used for) financing activities	(10,000)	10,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	43,196	54,736
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	113,330	58,594
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 156,526	\$ 113,330
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for		
Interest	\$ 178	\$ 509

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Stewardship Network's ("the Network") mission is to connect, equip, and mobilize people and organizations to care for lands and waters in their communities. As a 501(c)(3) nonprofit with a strong record of apolitical, transformational change leadership, the Network provides a unique function in the conservation community: facilitating the work of many by connecting conservation minded volunteers and practitioners to experts, to government agencies, to local organizers, to tribes and researchers and to each other; to craft and implement solutions to a multitude of the most pressing and challenging community conservation problems (water quality, invasive species control, biological diversity, habitat improvement, local food systems, civic engagement, etc.), which results in real on-the-ground conservation based eco-system vitality. This model is effective because individuals and organizations that care about their community, yet are unsure of what to do, address conservation problems one property at a time at a scale that is personal to those involved and now executable with their resources complemented by those brought to the table by the Network. Our community-based, collaborative model is unique among the conservation world, as we ask the critical question "What do you need to increase capacity to care for land and water?" We are not driven by a single species or issue and instead focus on revitalizing the system as a whole.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, the Network's net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Network considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consists of program service billings and grants receivable, and are recorded at the amount the Network expects to collect. No allowance for uncollectible receivables was considered necessary at December 31, 2020 and 2019.

Website Development Costs

Website, database, and management system development costs including certain graphic design services have been capitalized and amortized on a straight-line basis over 3 years. The cost of maintenance is charged to operations as incurred.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and Revenue Recognition

On January 1, 2020, the Network adopted 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Network adopted the new standard effective January 1, 2020, the first day of the Network's fiscal year, using the full retrospective method.

The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration in which the entity expects to be entitled in exchange for those goods or services.

The Network's contracts generally do not contain variable consideration, contingent revenue or warranties, and contract modifications are generally minimal. Based on the Network's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contribution of services are recognized in the financial statements only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Donated materials, goods, and supplies are recorded as contributions and as expenditures at their actual or estimated fair market values on the date of receipt.

Federal Grants

Federal grants are considered conditional contributions. The principal condition attached to these awards is that the Network must incur costs in accordance with the Office of Management and Budget's uniform guidance before costs can be reimbursed. Total amount promised under these grants for which conditions have not yet been fulfilled is \$80,887 at December 31, 2020. The Network exercises judgement regarding what constitutes a reimbursable cost per compliance with federal regulations.

Other Grants and Contracts

Revenue from nonfederal grants and contracts are considered conditional contributions. Performance obligations related to grant and contract revenue is transferred to the customer over time as reimbursable costs are incurred or when a unit of service is provided for a performance grant. The principal terms of revenue recognition is when the cost is incurred or service is provided; therefore, contract assets may exist at year end. Total amount promised under these grants and contracts for which conditions have not yet been fulfilled is \$495,930 at December 31, 2020. The Network exercises judgment regarding what constitutes a reimbursable cost per compliance with contracts with the customers. Grant and contract revenue received before it is spent is recorded as a refundable advance on the statements of financial position.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Conference

Performance obligations related to annual conference registration fee revenue is transferred to the customer at a point in time and is recognized at the conclusion of the event. Payment is generally due in full prior to the conference; therefore, contract liabilities may exist at year end.

The contract terms are straightforward and do not involve significant judgement in the timing or amount of revenue recognized.

Program Service Fees

Revenue from programs consists primarily of fees for various workshops, training, and consulting.

Performance obligations related to revenue from workshops and training is transferred to the customer at a point in time, upon completion of the workshop or training. The principal terms of sale are completion of the workshop or training. Payment is due in full at the beginning of the workshop or training; therefore, contract liabilities may exist at year end. The contract terms are straightforward and do not involve significant judgement in the timing or amount of revenue recognized.

Performance obligations related to consulting revenue is transferred to the customer over time. Revenue is recognized ratably over the term of the contract as the Network satisfies the promised obligations. Payment terms vary from payments due up front to payment due per an agreed upon payment schedule; therefore, contract assets and contract liabilities may exist at year end. Contract terms vary; therefore, the Network may exercise judgement based on individual contract terms whether it has satisfied its performance obligations and revenue recognition.

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Network's revenue based on the timing of satisfaction of performance of obligations for the years ended December 31:

	2020	2019
Over time:		
Consulting fees	\$ 31,500	\$ -
	<u>\$ 31,500</u>	<u>\$ -</u>
Point in time:		
Annual conference registration fees	\$ 71,795	\$ 68,857
Workshop and training registration fees	42,235	60,228
	<u>\$ 114,030</u>	<u>\$ 129,085</u>

Contract Balances

Contract liabilities are shown on the statements of financial position as deferred revenue.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses 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 include occupancy, which is allocated on a square-footage basis, as well as salaries, wages, and employee benefits, which are allocated on the basis of estimates of time and effort.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Network is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through September 17, 2021, the date the financial statements were available to be issued.

NOTE B - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 and 2019, comprise the following:

	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 156,526	\$ 113,330
Accounts receivable	42,816	15,707
Beneficial interest in assets held by Community Foundation for Southeast Michigan	13,948	-
Total financial assets	<u>213,290</u>	<u>129,037</u>
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	(200)	(3,000)
Less beneficial interest in assets held by Community Foundation for Southeast Michigan	(13,948)	-
Amount available for general expenditures within one year	<u>\$ 199,142</u>	<u>\$ 126,037</u>

As part of its liquidity management plan, the Network has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. It invests cash in excess of daily requirements in savings accounts.

NOTE C - FAIR VALUE MEASUREMENTS

FASB ASC 820 provides the 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – quoted prices in active markets for identical investment

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs

The carrying value of receivables and cash equivalents in the accompanying statements of financial position approximate fair value and are, therefore not included in the following table.

Fair value of assets measured on a recurring basis at December 31 are as follows:

DECEMBER 31, 2020	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description				
Beneficial interest in assets held by Community Foundation for Southeast Michigan	\$ 13,948	\$ -	\$ -	\$ 13,948

Amounts were initially invested in 2020.

The beneficial interest in assets held by Community Foundation for Southeast Michigan (the “Foundation”) has been valued, as a practical expedient, at the fair value of the Network’s share of the Foundation’s investment pool as of the measurement date. The beneficial interest in assets held by Community Foundation for Southeast Michigan is not redeemable by the Network as described in Note D.

Changes in level 3 assets and liabilities measured at fair value on a recurring basis are described in Note D.

NOTE D - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Network has transferred assets to the Community Foundation for Southeast Michigan (the “Foundation”) which is holding them as an endowed component fund (“Fund”) for the benefit of the Network. The Network has granted the Foundation variance power which gives the Foundation’s Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation’s investment and spending policies which currently result in a distribution to the Network of 4.50 percent of the average quarterly value over the previous twelve quarters (or actual if less than twelve). The Network reports the fair value of the Fund as Beneficial Interest in Assets Held by Community Foundation for Southeast Michigan in the statements of financial position. Changes in the value of the Fund are reported as gains or losses in the statements of activities. Changes in the Fund for the year ended December 31, 2020 are as follows:

	2020
Beginning balance	-
Amounts invested in Fund	12,000
Share of appreciation of Fund	1,948
Distributions received	-
Ending balance	13,948

NOTE E - LINE OF CREDIT

The Network had a \$50,000 revolving line of credit with a local bank at the prime rate plus 1% that expired on November 21, 2020 and was not renewed. At December 31, 2020 and 2019, there was \$0 and \$10,000 outstanding on the line of credit, respectively. The line of credit was secured by collateral and the bank had a right of setoff.

NOTE F - REFUNDABLE ADVANCE UNDER PAYCHECK PROTECTION PROGRAM

In 2020, the Network was granted a loan from Level One Bank in the amount of \$45,200, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Management estimates that the loan will be forgiven in full and is accounting for it as a conditional government grant. The entire balance is included in refundable advances on the statement of financial position. Once conditions for forgiveness have been substantially met, the amount forgiven will be recognized as revenue.

NOTE G - WEBSITE DEVELOPMENT COSTS

The Network's website development costs consist of the following at December 31:

	2020	2019
Website development costs	\$ 29,140	\$ 10,404
Less accumulated amortization	(4,857)	(10,404)
Total website development costs, net	<u>\$ 24,283</u>	<u>\$ -</u>

Amortization expense was \$4,857 and \$0 for the years ended December 31, 2020 and 2019, respectively.

Future amortization expense as of December 31, 2020 is as follows:

2021	\$ 9,713
2022	9,713
2023	4,857
2024	-
2025	-
	<u>\$ 24,283</u>

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	December 31, 2020	2019
Subject to expenditure for specified purpose:		
Conservation programs	\$ 200	\$ -
Future endowment	-	3,000
	<u>200</u>	<u>3,000</u>
Not subject to spending policy or appropriation:		
Beneficial interest in assets held by community foundation	13,948	-
	<u>\$ 14,148</u>	<u>\$ 3,000</u>

NOTE I - FACILITIES

The Network currently occupies office space in a building owned by Huron River Holdings on a month-to-month basis. The Network pays \$100 per month, and the difference between this and the fair value of the space is recognized as contribution revenue and rent expense. Rent expense totaled \$20,560 and \$20,560 for the years ended December 31, 2020 and 2019, respectively.

NOTE J - DONATED GOODS AND SERVICES

Volunteers have donated their time without compensation to the Network to assist with tasks such as on-line forum setup and maintenance, community organizing, data management, organizing events, and other programmatic and administrative responsibilities. Volunteer services are integral to the efficient operation of the Network. During the years ended December 31, 2020 and 2019, several hundred hours of services were volunteered to the Network. No amounts have been reflected in the financial statements for these donated services. Volunteer services neither create or enhance nonfinancial assets nor do they require specialized skills. No amounts have been recognized in the statement of activities since the criteria for recognition have not been met.

The Network continues its partnership with other nonprofit organizations; governmental agencies, units, and departments; and private citizens in conjunction with its programming. The time volunteered through these partnerships to assist with program design, delivery, and promotion as well as support offered to staff was without compensation and no amounts have been recognized in the statement of activities since the criteria for recognition have not been met.

NOTE K - CONCENTRATIONS

A significant portion of the Network's revenues and contracts and grants receivable consists of government grants and contracts received from a number and variety of governmental agencies. These revenues and grants are earned by the Network based on services it provides per individual agreement. Approximately 24% and 13% of the Network's revenue and support was provided by government contracts for the years ended December 31, 2020 and 2019, respectively. Accounts receivable at December 31, 2020 consists of amounts due from three governmental agencies.

In 2020, approximately 37% of the Network's total revenue and support was from one private foundation.

NOTE L - EMPLOYEE BENEFIT PLAN

The Network provides retirement benefits under Section 401(k) of the Internal Revenue Code to which eligible employees may elect to make contributions under salary reduction agreements. For those employees electing to participate, the Network makes matching contributions on behalf of the participant of up to 3% of compensation. Matching contributions totaled \$8,783 and \$6,115 for the years ended December 31, 2020 and 2019, respectively.

NOTE M - CONTINGENCIES AND COMMITMENTS

The Network receives, directly or as a pass-through, a number of grants from various governmental agencies. These grants are subject to audit by the corresponding oversight agency as to allowable costs paid with governmental funds and as to the share of costs contributed by the Network. Management feels that any liability for reimbursement which could arise as the result of these audits would not be material. It is at least reasonably possible that the estimate of this liability could change in the near term.

The Network spent less than \$750,000 in federal financial assistance for the years ended December 31, 2020 and 2019. Therefore, a single audit in accordance with the OMB Uniform Guidance is not required.

In the normal course of operations, there may be outstanding contingent liabilities, such as lawsuits, which are not reflected in the accompanying financial statements. Management is of the opinion that the insurance coverage is adequate to cover any potential losses. No such liabilities have been asserted; therefore, no estimation of loss has been made.

NOTE N - SUBSEQUENT EVENTS

Paycheck Protection Program Loan

In 2021, the Network was granted an additional loan from Level One Bank in the amount of \$64,455 under the Small Business Administration's (SBA) Paycheck Protection Program. The loan is eligible for partial or total forgiveness by the SBA.

NOTE O - NEW ACCOUNTING PRONOUNCEMENTS

The FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which will require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and disclose contributed nonfinancial assets. The objective of the ASU is to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. ASU No. 2020-07 will be effective beginning in 2022. The Network is currently evaluating the impact the adoption of ASU No. 2020-07 will have on its financial statements.