VISION
A more prosperous Jackson with a skilled workforce that is vibrant and diverse.

MISSION
To empower young adults so that they are more confident, better equipped, and motivated to enter into, navigate, and stay in the workforce.

VALUES
Accountability
Respect
Open-mindedness
Perseverance
DEAR FRIEND,

We hope that this communication finds you and your loved ones safe and well.

We first sat down to write this together at the start of the year. But as with so many other things, it was set aside when COVID-19 forced us all to focus on the well-being and very existence of our families, our livelihoods, our communities.

As we pick up the pen again all these months later, we are filled with gratitude for you, our cheerleaders who have supported us since we opened last July and throughout this crisis. You make it possible for us to continue the vital work of moving young adults into the workforce and onto a path of self-sufficiency.

This report strays a bit from a traditional annual report. You’ll still find information on our accomplishments and financials from 2019, but we also wanted to share with you our plans for moving forward.

As so many people in Mississippi face unemployment and economic uncertainty, our work is more critical than ever to ensure that those most disconnected and vulnerable among us have the opportunity to engage in and contribute to society through work.

Thank you again for believing in us. Thank you for dining with us, for encouraging our young people, for volunteering your time. We look forward to seeing you again soon.

In gratitude and with hope for the future,

Jeff Good
Chair of the Board

Emily Stanfield
President & CEO
Our original goal for 2020 was to hold four 10-week trainings consisting of 14 members each.

Because of COVID-19, we were unable to hold trainings between March 18 and May 10. We returned to the office on May 11, making it possible to hold three more trainings this year, if they were reduced from 10 to eight weeks each:

- June 1 to July 31
- August 17 to October 9
- October 19 to December 18

We also decided to decrease the number of members trained for the June 1 cohort. Instead of 14, we are training no more than eight members to ensure appropriate distancing. We will continue to assess the situation and determine the number of members that are safe to train at one time.

While we are reducing the length of training, we are not sacrificing any content or opportunities afforded to past cohorts. Members will still receive:

- Instruction on and practice of basic necessary job skills and goal-setting in the training room;
- On-the-job training;
- Twice-weekly one-on-one mentorship to establish and work toward professional, financial and personal goals;
- Tutoring in reading and math, as needed;
- A training stipend; and
- Placement in a paid internship or job placement assistance following program completion.
Between July 29 and December 31, we trained two cohorts totaling 25 members.

**RJI TRAININGS INCLUDED:**

- 32 days of classroom instruction on topics including resume writing, interview skills, psychoeducation, financial education, professional dress, expectations of the workplace, teamworking, communication skills;
- 18 days of on-the-job training in our fully functional restaurant, Refill Cafe;
- Twice-weekly one-on-one mentoring sessions that focus on professional, personal and financial goals;
- Field trips to local businesses, including McNeely Plastics, St. Dominic Memorial Hospital and Nissan; and
- New checking and savings accounts for members who do not already have active accounts.

- All earned ServSafe certificate
- All earned Smart Start certificate

- 48% graduation rate
- 33% of graduates were placed in paid internships
- 33% of graduates obtained full-time employment
- 8% pursued further education

12 GRADUATES
Lee and Larry Harper devoted significant time and resources to open the Koinonia Coffee House in 2008. Their goal was to provide coffee, delicious food, and a warm atmosphere for residents of West Jackson and students of Jackson State University.

The Harpers decided to close Koinonia in 2016, but Refill is proud to continue their tradition of bringing together Jacksonians in support of a common goal—this time, to empower young adults so that they can excel in the workforce and in life. And Refill continues as the site for Friday Forum and Saturday Morning Breakfast Club, weekly meetings started by the Harpers that give our community opportunities to share information and discuss issues affecting our city and state. (We look forward to restarting these meetings as soon as it is safe to do so!)

Beginning in May 2019, we began renovating the building in order to convert it into a space appropriate for training and a quick-service restaurant. Thanks to the skill and expertise of Carraway Construction and Hotel & Restaurant Supply, we celebrated Refill Cafe’s grand opening on August 26.
# FINANCIALS

*Statement for the period of 01/01/2019 to 12/31/2019*

## INCOME

### Donations
- Individual/Small Business Contributions: $129,413.78
- Corporate Contributions: $1,000.00
- Pledge Revenue: $235,144.98
- In-Kind Contribution: $1,164.80
- Restaurant Donations: $6,817.70

Total Donations: $373,341.26

### Non-Government Grant Revenue
- Foundation/Trust Grant Income: $150,749.19

### Government Grant Revenue
- Federal Grant Income: $71,866.99
- State Grant Income: $64,619.88

### Program Revenue
- Total Restaurant Sales: $37,327.24

### Other Income
- Interest Earned: $543.45

Total Income: $698,448.01

## EXPENSES

### Org Salaries & Benefits
- Total Org Salaries & Benefits: $263,510.83

### Restaurant Labor
- Total Restaurant Labor: $71,463.20

### Costs of Goods Sold
- Total Costs of Goods Sold: $26,102.04

### Contract Services
- Total Contract Services: $50,043.38

### Direct Cohort Expenses
- Total Direct Cohort Expenses: $2,494.93

### Operating Expenses
- Total Restaurant Supplies: $17,470.01
- Total Training Expenses: $23,996.97

Total Operating Expenses: $68,333.86

### Facility & Equipment Expenses
- Total Utilities: $11,043.14
- Total Facility & Equipment Expenses: $79,705.29

### Travel & Meeting Expenses
- Total Travel & Meeting Expenses: $5,416.17

### Total Other Expenses
- Total Other Expenses: $54,782.45

Total Expense: $621,852.15

Net Income (Loss): $76,595.86

*We are currently undergoing our annual audit. Our final audited report for 2019 will be made available on our website or by request when the audit is complete.*
2019 DONORS

$1,000 TO $4,999

Ann Allin  
BankPlus  
Sheila M. Bossier  
Roy and Nancy Campbell  
Roger Clifford Clapp  
Rae Dillon  
Jeff and Debbie Good  
Bobby Graham & Sharon Martin  
Grady Griffin  
Kathy and Bill Howard  
Matthias Krenn & Emily Stanfield  
Betsy and Bill Nation  
Origin Bank  
Joe and Rose Lee Robinson  
Leland Speed  
St. Andrew’s Episcopal Cathedral  
Walker and Betti Watters  
Anonymous  
Anonymous

$5,000 TO $9,999

Jerry and Sue McBride  
Mississippi Baptist Medical Center  
Emerson and Judy Robinson  
State Workforce Investment Board  
Mary and Wirt Yerger

$10,000 TO $19,000

2019 Governor’s Discretionary Fund  
Brown Group Companies  
Michael T. McRee  
Pruet Foundation  
Carol Puckett  
St. Dominic  
Trustmark

$20,000 TO $49,999

Atmos Energy  
Central MS Planning and Development District  
Janet and Luther Ott

$50,000 OR MORE

Jim and Donna Barksdale  
Hinds County Human Resource Agency  
Selby and Richard MoRae Foundation  
W.K. Kellogg Foundation
The Refill Jackson Initiative

Board of Directors

Caitlin Brooking
Carol Burger
Vice Chair
James Carter
Treasurer
Jeff Good
Chair
John Morgan Hughes
Grady Griffin
David Johnson
Robert Lesley
Catoria Martin
Janet Ott

Staff

Bryan Bell
Financial Controller
Amber Bridges
Kitchen Manager
Jordan Butler
Vice President of Education and Training
Chanika Caesar
Kitchen Associate
Dr. Caroline Compretta
Evaluation Consultant
Lara Derrow
Bookkeeper
Amber Parker
Career Coordinator
Betsy Smith
Vice President of Social Services
Emily Stanfield
President and CEO
Dr. Damien Thomas
Mental Health Consultant
Marshall Wade
Vice President of Operations
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>INDEPENDENT AUDITORS' REPORT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

## CONSOLIDATED FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Statement</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated statement of financial position</td>
<td>4</td>
</tr>
<tr>
<td>Consolidated statement of activities</td>
<td>5</td>
</tr>
<tr>
<td>Consolidated statement of cash flows</td>
<td>6</td>
</tr>
<tr>
<td>Consolidated statement of functional expenses</td>
<td>7</td>
</tr>
<tr>
<td>Notes to financial statements</td>
<td>8</td>
</tr>
</tbody>
</table>
The Board of Directors  
Southern Artisan Training Institute  
Jackson, Mississippi  

Independent Auditors’ Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Southern Artisan Training Institute and subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 consolidated financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
The Board of Directors
Southern Artisan Training Institute (continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southern Artisan Training Institute and subsidiary as of December 31, 2019, and the changes 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.

Harper, Rainie, Knight & Company, P.A.

August 17, 2020
## ASSETS

Current assets  
- Cash and cash equivalents $107,938  
- Accounts receivable $86,791  
- Prepaid expenses $6,127  
  Total current assets $200,856  
- Property and equipment, net $518,438  

Total assets $719,294

## LIABILITIES AND NET ASSETS

Current liabilities  
- Accounts payable $104,921  
- Accrued expenses $22,674  
- Current maturities of long-term debt $21,974  
  Total current liabilities $149,569  

Long-term debt, less current maturities $496,026  

Total other liabilities $645,595  

Net assets  
- Net assets without donor restrictions $73,699  
  Total net assets $73,699  

Total liabilities and net assets $719,294  

The Notes to Consolidated Financial Statements are an integral part of this statement.
Changes in net assets without donor restrictions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant sales</td>
<td>$45,255</td>
</tr>
<tr>
<td>Less cost of sales</td>
<td>$26,102</td>
</tr>
<tr>
<td>Less discounts</td>
<td>$7,928</td>
</tr>
<tr>
<td>Gross profit on sales</td>
<td>$11,225</td>
</tr>
<tr>
<td>Contributions</td>
<td>$375,846</td>
</tr>
<tr>
<td>Grant income</td>
<td>$287,204</td>
</tr>
<tr>
<td>Other income</td>
<td>$1,951</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>$676,226</td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$366,709</td>
</tr>
<tr>
<td>General and administrative</td>
<td>$143,549</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$59,549</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$569,807</td>
</tr>
</tbody>
</table>

Increase in net assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets</td>
<td>$106,419</td>
</tr>
</tbody>
</table>

Net assets, beginning:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning</td>
<td>$(32,720)</td>
</tr>
</tbody>
</table>

Net assets, ending:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, ending</td>
<td>$73,699</td>
</tr>
</tbody>
</table>
Cash flows from operating activities:
Change in net assets $ 106,419
Adjustments to reconcile change in net assets to net cash provided by operating activities:
  Depreciation expense 8,160
  Change in:
    Accounts receivable (86,791)
    Prepaid expenses (6,127)
    Accounts payable 80,473
    Accrued expenses 22,674
Net cash provided by operating activities 124,808

Cash flows from investing activities:
Purchase of fixed assets and leasehold improvements (310,382)
Net cash used in investing activities (310,382)

Cash flow from financing activities:
  Proceeds from long-term debt 518,000
  Repayments of long-term debt (235,000)
Net cash provided by financing activities 283,000

Net change in cash and cash equivalents 97,426
Cash and cash equivalents, beginning 10,512
Cash and cash equivalents, ending $ 107,938

Supplementary disclosure of cash flow information:
Interest paid on note payable $ 14,754

The Notes to Consolidated Financial Statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>Educational</th>
<th>Restaurant</th>
<th>Alumni</th>
<th>Total</th>
<th>Cost of Goods Sold</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$142,170</td>
<td>$10,032</td>
<td>-</td>
<td>$152,202</td>
<td>-</td>
<td>$73,865</td>
<td>$49,473</td>
</tr>
<tr>
<td>Restaurant labor</td>
<td>-</td>
<td>71,794</td>
<td>-</td>
<td>71,794</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contract and professional services</td>
<td>8,628</td>
<td>8,064</td>
<td>-</td>
<td>16,692</td>
<td>-</td>
<td>43,763</td>
<td>698</td>
</tr>
<tr>
<td>Equipment and facility</td>
<td>14,407</td>
<td>10,093</td>
<td>-</td>
<td>24,500</td>
<td>-</td>
<td>3,425</td>
<td>754</td>
</tr>
<tr>
<td>Stipends</td>
<td>25,631</td>
<td>-</td>
<td>881</td>
<td>26,512</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restaurant supplies</td>
<td>41</td>
<td>17,429</td>
<td>-</td>
<td>17,470</td>
<td>34,030</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Software</td>
<td>6,067</td>
<td>2,142</td>
<td>-</td>
<td>8,209</td>
<td>-</td>
<td>3,697</td>
<td>3,031</td>
</tr>
<tr>
<td>Interest</td>
<td>3,754</td>
<td>6,565</td>
<td>-</td>
<td>10,319</td>
<td>-</td>
<td>3,843</td>
<td>592</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,226</td>
<td>3,368</td>
<td>-</td>
<td>7,594</td>
<td>-</td>
<td>4,152</td>
<td>1,253</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,970</td>
<td>5,195</td>
<td>-</td>
<td>8,165</td>
<td>-</td>
<td>3,041</td>
<td>468</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,076</td>
<td>3,631</td>
<td>-</td>
<td>5,707</td>
<td>-</td>
<td>2,125</td>
<td>328</td>
</tr>
<tr>
<td>Travel</td>
<td>2,639</td>
<td>314</td>
<td>-</td>
<td>2,953</td>
<td>-</td>
<td>51</td>
<td>2,421</td>
</tr>
<tr>
<td>Office supplies</td>
<td>2,171</td>
<td>229</td>
<td>-</td>
<td>2,400</td>
<td>-</td>
<td>1,504</td>
<td>319</td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>135</td>
<td>3,158</td>
<td>-</td>
<td>3,293</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cleaning</td>
<td>-</td>
<td>2,891</td>
<td>-</td>
<td>2,891</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent</td>
<td>437</td>
<td>728</td>
<td>-</td>
<td>1,165</td>
<td>-</td>
<td>1,120</td>
<td>115</td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>-</td>
<td>2,088</td>
<td>-</td>
<td>2,088</td>
<td>-</td>
<td>2,259</td>
<td>-</td>
</tr>
<tr>
<td>Bank charges</td>
<td>-</td>
<td>1,041</td>
<td>-</td>
<td>1,041</td>
<td>-</td>
<td>69</td>
<td>-</td>
</tr>
<tr>
<td>Other miscellaneous</td>
<td>622</td>
<td>1,092</td>
<td>-</td>
<td>1,714</td>
<td>-</td>
<td>637</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$215,974</strong></td>
<td><strong>$149,854</strong></td>
<td><strong>$881</strong></td>
<td><strong>$366,709</strong></td>
<td><strong>$34,030</strong></td>
<td><strong>$143,549</strong></td>
<td><strong>$59,549</strong></td>
</tr>
</tbody>
</table>

The Notes to Consolidated Financial Statements are an integral part of this statement. -7-
NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies which have been followed by Southern Artisan Training Institute and its subsidiary (hereafter referred to as the "Organization"), in preparing the accompanying consolidated financial statements are set forth below.

Nature of Activities

The Organization is a non-profit workforce development program that provides job training, soft skill development, social services support, educational support, mentoring, and employment services to young adults. The Organization's support is primarily derived from grants, contributions, and restaurant sales.

Consolidation Policy

The consolidated financial statements include the accounts of the Organization and an entity that is controlled by related parties. All material inter-company accounts and transactions are eliminated in consolidation.

The Organization leases a building to its limited-liability company subsidiary, "Refill Cafe" on a year-to-year basis. The lease is classified as an operating lease. The lease commenced on January 1, 2019. The lease requires monthly payments of $4,500 effective August 8, 2019. Total lease payments from the entity amounted to $37,500. All lease payments were eliminated in consolidation.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual method of accounting.

Basis of Presentation

The accompanying consolidated financial statements follow Accounting Standards Codification Topic 958-205 "Presentation of Financial Statements of Not-for-Profit Entities." Under this Topic, the Organization reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

- **Without donor restrictions** - Net assets that are not subject to restrictions. Net assets may be designated for specific purposes by action of the Board of Directors.
- **With donor restrictions** - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

At December 31, 2019, all the Organization's net assets are considered net assets without donor restrictions.
NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as net assets with donor restriction or net assets without donor restrictions depending on the existence or nature of any such restrictions.

All donor-restricted support 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 statements of activities as net assets released from restrictions. Cash contributions are recorded at the amount received. Donations other than cash are recorded at the fair market value of the goods or service received.

Accounts Receivable

Accounts receivable consist of grants receivable. Grants are for operating support and are reported as receivables upon commitment from the granting organization and fulfillment of all significant grant conditions. All receivables at December 31, 2019, are due within one year.

Cash and cash equivalents

The Organization considers all checking accounts and investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Funds held at the Community Foundation for Mississippi are considered cash equivalents. The funds are held in pooled money market accounts and are extremely liquid.

Fixed Assets

Fixed assets purchased are recorded at cost at the date of acquisition of fair market value at the date of donation. The Organization capitalizes any asset with a life expectancy longer than one year and a cost greater than $1,000 as a capital asset. Depreciation expense is computed on a straight-line basis over the estimated useful life of the asset. Furniture and equipment is depreciated over a five-year useful life. The building is depreciated over a thirty-nine-year useful life.

Maintenance and repairs are expensed as incurred. Replacements and improvements are capitalized. The costs and related accumulated depreciation of assets sold or retired are removed from the accounts and any resulting gain or loss is reflected in the accompanying statement of activities.

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
Estimates (continued)

Date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these financial statements include those assumed in determining the allowance for uncollectible grants receivable, the methods and useful lives of fixed assets and the allocation of expenses to the functional categories. It is at least reasonably possible that the significant estimates used will change within the next year.

Functional Reporting of Expenses

The cost of providing the Organization’s various programs and activities have been summarized and reported on a functional basis. Costs which benefit only one functional area are reported directly in that functional category. Costs which benefit more than one functional area have been allocated among the program and supporting services based on labor hours worked.

Liquidity and Availability

The Organization has $194,729 of financial assets available within one year of the financial position date to meet the cash needs for general expenditures. These amounts consist of unrestricted cash of $107,938 and receivables of $86,791. The receivables are subject to implied time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately $95,500. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Tax Status

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Program Services

The Organization supports the following major programs:

Educational - The Organization provides a ten-week workforce development program to young adults.

Restaurant – The Organization operates Refill Cafe, a restaurant establishment open to the general public for weekday lunch. The cafe provides on-the-job training opportunities for participants.

Alumni - The Organization provides cohort participants support following the completion of the program.
NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 Revenue from Contracts with Customers (Topic 606) to improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. In order to comply with ASC Topic 606, entities should apply the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. The ASU is effective for years beginning after December 15, 2018. Management has evaluated the requirements of ASC Topic 606 and has determined that their current revenue recognition process is consistent with this five-step approach and was no material effect to the financial statements.

Advertising

The Organization expenses all advertising costs related to fundraising activities and programs as incurred. Advertising expenses totaled $48.

Subsequent Events

Subsequent events were evaluated by the Organization through August 17, 2020 which is the date the financial statements were available to be issued.

NOTE 2 • PROPERTY AND EQUIPMENT

Details of property and equipment at December 31, 2019 are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land (non-depreciable)</td>
<td>$23,067</td>
</tr>
<tr>
<td>Building</td>
<td>492,837</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>20,347</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>536,251</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>17,813</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>518,438</td>
</tr>
</tbody>
</table>
NOTE 3 • LONG-TERM LIABILITIES

Details of long-term liabilities as of December 31, 2019 are as follows:

Note payable collateralized by real estate, with monthly principal and interest payments of $4,371, interest at 6% with remaining principal due September, 2034 $ 518,000

Less current maturities (21,974) $ 496,026

Minimum future payments under long-term debt at December 31, 2019 are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>21,974</td>
</tr>
<tr>
<td>2021</td>
<td>23,327</td>
</tr>
<tr>
<td>2022</td>
<td>24,766</td>
</tr>
<tr>
<td>2023</td>
<td>26,293</td>
</tr>
<tr>
<td>2024</td>
<td>27,915</td>
</tr>
<tr>
<td>Thereafter</td>
<td>393,725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>518,000</strong></td>
</tr>
</tbody>
</table>

NOTE 4 • SUBSEQUENT EVENT – CORONAVIRUS PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization’s operations. Future potential impacts may include disruptions or restrictions on our employees’ ability to work or donors’ ability to pay commitments. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of donors to continue making donations as a result of operating losses, revenue declines, or other pandemic related issues. The future effects of these issues are unknown.