PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

AND

INDEPENDENT AUDITORS' REPORT

FRIEDMAN LLP®

ACCOUNTANTS AND ADVISORS

PROJECT HOME AND SUBSIDIARIES

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FRIEDMAN LLP®
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Project HOME and Subsidiaries
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of Project HOME (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated 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 consolidated 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 consolidated financial statements are free from 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 auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Project HOME and Subsidiaries as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Friedman LLP

Philadelphia, Pennsylvania
December 30, 2020

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2020	June 30, 2019
ASSETS		
Current assets		
Cash	$ 5,855,449	$ 5,911,683
Restricted cash, current portion	195,969	222,068
Restricted cash, New Market Tax Credit loan proceeds	-	57,686
Accounts and grants receivable, net of allowance	7,248,505	9,518,606
Accounts receivable, related parties	1,850,209	1,727,634
Pledges receivable, current portion	4,877,462	4,606,045
Notes receivable, related party, current portion	572,000	-
Interest and fees receivable, related parties, current portion	1,193,584	554,837
Other current assets	851,804	407,617
Total current assets	22,644,982	23,006,176
Restricted cash, net of current portion	325,529	325,422
Investments	33,702,024	26,126,115
Investments, replacement and operating reserves	19,640,285	16,340,802
Replacement and cash reserves	242,553	293,083
Deposits	112,094	115,982
Pledges receivable, net of current portion and discounts	5,078,467	6,534,535
Notes receivable, related parties, net of current portion	24,308,592	24,060,068
Interest and fees receivable, related parties, net of current portion	4,577,095	3,471,796
Construction-in-progress	276,183	1,506,163
Land, property and equipment, net of accumulated depreciation	19,836,940	18,807,343
Total Assets	$ 130,744,744	$ 120,587,485

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2020	June 30, 2019
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 3,273,346	$ 2,565,175
Accounts payable, related parties	-	35,573
Deferred revenue	35,708	43,122
Notes payable, current portion	444,040	35,000
Total current liabilities	3,753,094	2,678,870
Notes payable, net of current portion	15,976,517	21,470,735
Deferred rent obligation	979,765	833,116
Total long-term liabilities	16,956,282	22,303,851
Total liabilities	20,709,376	24,982,721
Commitments and contingencies		
Net assets		
Without donor restrictions		
Undesignated	48,539,161	40,117,953
Designated	19,906,788	16,810,155
	68,445,949	56,928,108
With donor restrictions	41,589,419	38,676,656
Total net assets	110,035,368	95,604,764
Total Liabilities and Net Assets	$ 130,744,744	$ 120,587,485

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operations			
Revenue, gains and other support			
Contracts, government funding	$ 12,785,399	$ -	$ 12,785,399
Contributions and grants (including in-kind contributions of $243,591)	4,539,399	9,656,093	14,195,492
Forgiveness of debt, net of debt issuance costs	9,393,790	-	9,393,790
Medicaid/Medicare, net	5,442,842	-	5,442,842
Program income and fees, related parties	4,201,999	-	4,201,999
Program income and fees, other	2,582,876	-	2,582,876
Investment income	2,548,680	585,610	3,134,290
Net assets released from restrictions - satisfaction of program restrictions	5,823,224	(5,823,224)	-
Total revenue, gains and other support	47,318,209	4,418,479	51,736,688
Expenses			
Program services			
Housing and support services	7,174,131	-	7,174,131
Outreach Services	3,096,940	-	3,096,940
Education and employment services	2,603,535	-	2,603,535
Health services	7,482,614	-	7,482,614
Strategy and impact services	920,961	-	920,961
Real estate development and asset management	892,525	-	892,525
Property management services	8,553,967	-	8,553,967
Total program services	30,724,673	-	30,724,673
Supporting services			
Management and general	4,769,540	-	4,769,540
Fund-raising and development, other	1,559,045	-	1,559,045
Total supporting services	6,328,585	-	6,328,585
Total expenses	37,053,258	-	37,053,258
Changes in net assets from operations	10,264,951	4,418,479	14,683,430
Nonoperating expenses,			
Housing development expenses	256,494	-	256,494
Total nonoperating expenses	256,494	-	256,494
Capital acquisitions and financing			
Revenue and support for capital acquisitions and financing	3,668	-	3,668
Net assets released from restrictions for capital acquisition and financing	743,152	(743,152)	-
Net assets released from restrictions for plant acquisitions	762,564	(762,564)	-
Changes in net assets from capital acquisitions and financing	1,509,384	(1,505,716)	3,668
Changes in net assets	11,517,841	2,912,763	14,430,604
Net assets, beginning of year	56,928,108	38,676,656	95,604,764
Net assets, end of year	$ 68,445,949	$ 41,589,419	$ 110,035,368

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operations			
Revenue, gains and other support			
Contracts, government funding	$ 12,222,740	$ -	$ 12,222,740
Contributions and grants (including in-kind contributions of $337,710)	2,072,304	9,228,394	11,300,698
Medicaid/Medicare, net	6,777,442	-	6,777,442
Program income and fees, related parties	4,210,702	-	4,210,702
Program income and fees, other	2,264,770	-	2,264,770
Investment income	2,806,987	1,046,675	3,853,662
Special event	2,217,800	1,413,259	3,631,059
Net assets released from restrictions - satisfaction of program restrictions	7,176,542	(7,176,542)	-
Total revenue, gains and other support	39,749,287	4,511,786	44,261,073
Expenses			
Program services			
Housing and support services	6,329,088	-	6,329,088
Outreach Services	2,156,280	-	2,156,280
Education and employment services	2,720,219	-	2,720,219
Health services	5,682,315	-	5,682,315
Strategy and impact services	689,471	-	689,471
Real estate development and asset management	767,202	-	767,202
Property management services	7,946,277	-	7,946,277
Total program services	26,290,852	-	26,290,852
Supporting services			
Management and general	4,225,862	-	4,225,862
Special event, cost of direct donor benefit	774,223	-	774,223
Fund-raising and development, other	1,433,928	-	1,433,928
Total fund-raising and development	2,208,151	-	2,208,151
Total supporting services	6,434,013	-	6,434,013
Total expenses	32,724,865	-	32,724,865
Changes in net assets from operations	7,024,422	4,511,786	11,536,208
Nonoperating expenses,			
Housing development expenses	5,868,213	-	5,868,213
Total nonoperating expenses	5,868,213	-	5,868,213
Capital acquisitions and financing			
Revenue and support for capital acquisitions and financing	2,731,699	-	2,731,699
Net assets released from restrictions for capital acquisition and financing	3,172,376	(3,172,376)	-
Net assets released from restrictions for plant acquisitions	1,276,320	(1,276,320)	-
Changes in net assets from capital acquisitions and financing	7,180,395	(4,448,696)	2,731,699
Changes in net assets	8,336,604	63,090	8,399,694
Net assets, beginning of year	48,591,504	38,613,566	87,205,070
Net assets, end of year	$ 56,928,108	$ 38,676,656	$ 95,604,764

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services								Supporting Services			
	Housing and Support Services	**Outreach Services**	**Education and Employment Services**	**Health Services**	**Strategy and Impact Services**	**Real Estate Development and Asset Management**	**Property Management Services**	**Total Program Services**	**Management and General**	**Fund-raising and Communications**	**Total Supporting Services**	**Total Expenses**
Salaries	$ 4,675,347	$ 2,019,121	$ 1,570,167	$ 4,094,920	$ 556,265	$ 607,229	$ 2,384,718	$ 15,907,767	$ 2,636,321	$ 836,567	$ 3,472,888	$ 19,380,655
Taxes and fringe benefits	1,054,605	474,009	361,509	973,972	129,514	113,534	566,227	3,673,370	565,964	196,700	762,664	4,436,034
Occupancy	220,489	212,371	69,113	352,416	29,591	1,765	1,543,220	2,428,965	107,588	49,213	156,801	2,585,766
Fundraising	-	-	-	-	-	-	-	-	-	180,747	180,747	180,747
Rent subsidy	-	6,600	-	-	-	-	2,140,916	2,147,516	-	-	-	2,147,516
Food expenses	276,194	58,953	6,373	2,949	-	6,752	-	351,221	-	-	-	351,221
Bad debt	-	-	-	491,003	-	-	-	491,003	-	-	-	491,003
Education fund	-	-	128,255	-	-	-	-	128,255	-	-	-	128,255
Other program expenses	227,899	55,160	51,347	84,380	3,809	9,264	40,447	472,306	39,565	12,500	52,065	524,371
Professional fees	81,552	20,441	123,739	584,703	129,969	119,300	439,836	1,499,540	345,922	95,690	441,612	1,941,152
Supplies	123,752	32,905	78,138	355,773	4,477	5,115	50,886	651,046	20,015	11,130	31,145	682,191
Communication expenses	117,793	30,971	33,458	30,971	4,270	7,079	35,592	260,134	17,656	2,932	20,588	280,722
Equipment rentals and maintenance	93,984	25,135	84,218	338,617	30,973	15,116	12,475	600,518	285,130	66,108	351,238	951,756
Interest expense	-	-	-	-	-	-	507,104	507,104	72,046		72,046	579,150
General expenses	205,736	15,733	41,364	122,575	32,093	7,371	53,128	478,000	602,195	107,089	709,284	1,187,284
Total expenses before depreciation	7,077,351	2,951,399	2,547,681	7,432,279	920,961	892,525	7,774,549	29,596,745	4,692,402	1,558,676	6,251,078	35,847,823
Depreciation	96,780	145,541	55,854	50,335	-	-	779,418	1,127,928	77,138	369	77,507	1,205,435
Total expenses	$ 7,174,131	$ 3,096,940	$ 2,603,535	$ 7,482,614	$ 920,961	$ 892,525	$ 8,553,967	$ 30,724,673	$ 4,769,540	$ 1,559,045	$ 6,328,585	$ 37,053,258

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Program Services								Supporting Services			
	Housing and Support Services	**Outreach Services**	**Education and Employment Services**	**Health Services**	**Strategy and Impact Services**	**Real Estate Development and Asset Management**	**Property Management Services**	**Total Program Services**	**Management and General**	**Fund-raising and Communications**	**Total Supporting Services**	**Total Expenses**
Salaries	$ 3,783,579	$ 1,322,044	$ 1,660,531	$ 2,962,824	$ 402,805	$ 521,312	$ 2,157,176	$ 12,810,271	$ 2,389,044	$ 709,992	$ 3,099,036	$ 15,909,307
Taxes and fringe benefits	1,005,571	321,201	420,273	780,673	111,870	98,581	603,316	3,341,485	566,483	196,380	762,863	4,104,348
Occupancy	136,711	191,008	57,533	277,242	29,281	2,210	1,704,845	2,398,830	65,039	43,889	108,928	2,507,758
Fundraising	-	-	-	-	-	-	-	-	-	136,299	136,299	136,299
Rent subsidy	-	12,996	-	-	-	-	2,101,897	2,114,893	-	-	-	2,114,893
Food expenses	135,604	19,112	7,251	2,538	-	-	-	164,505	-	-	-	164,505
Bad debt	-	-	-	328,438	-	-	-	328,438	-	97,017	97,017	425,455
Partnership collaboration	519,060	-	-	-	-	-	-	519,060	-	-	-	519,060
Education fund	-	-	128,188	-	-	-	-	128,188	-	-	-	128,188
Other program expenses	185,471	59,661	79,066	14,814	40,432	8,000	18,223	405,667	32,170	12,622	44,792	450,459
Special events	-	-	-	-	-	-	-	-	-	774,223	774,223	774,223
Professional fees	110,806	24,038	108,615	556,914	41,637	118,000	6,642	966,652	396,577	68,069	464,646	1,431,298
Supplies	65,618	21,377	69,012	255,112	3,722	1,138	26,424	442,403	19,663	10,294	29,957	472,360
Communication expenses	86,953	25,022	36,488	30,215	3,132	6,434	27,056	215,300	21,201	3,757	24,958	240,258
Equipment rentals and maintenance	88,794	47,495	46,892	310,244	26,279	2,283	8,128	530,115	263,648	68,530	332,178	862,293
Interest expense	-	-	-	-	-	-	495,854	495,854	106,535	-	106,535	602,389
General expenses	175,817	25,647	54,478	117,952	20,920	9,244	38,088	442,146	300,155	85,817	385,972	828,118
Total expenses before depreciation	6,293,984	2,069,601	2,668,327	5,636,966	680,078	767,202	7,187,649	25,303,807	4,160,515	2,206,889	6,367,404	31,671,211
Depreciation	35,104	86,679	51,892	45,349	9,393	-	758,628	987,045	65,347	1,262	66,609	1,053,654
Total expenses	$ 6,329,088	$ 2,156,280	$ 2,720,219	$ 5,682,315	$ 689,471	$ 767,202	$ 7,946,277	$ 26,290,852	$ 4,225,862	$ 2,208,151	$ 6,434,013	$ 32,724,865

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2020	**2019**
Cash flows from operating activities		
Changes in net assets	$ 14,430,604	$ 8,399,694
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	1,205,435	1,053,654
(Decrease) increase in pledges receivable discount	(193,515)	20,098
Write-off of uncollectible pledges receivable	-	97,013
Write-off of uncollectible accounts receivable	494,745	330,101
Net realized and unrealized gains on investments	(885,476)	(1,490,711)
Contributed securities	(1,792,493)	(1,847,337)
Contributed property and equipment	-	(99,150)
Forgiveness of debt, net of debt issuance costs	(9,393,790)	-
Contributions restricted for long-term purposes	(475,000)	(422,155)
Amortization of debt issuance costs	4,412	8,825
Changes in operating assets and liabilities		
Accounts and grants receivable	1,775,356	(4,508,486)
Accounts receivable, related parties	(122,575)	119,880
Pledges receivable	1,378,166	603,411
Other current assets	(444,187)	13,227
Deposits	3,888	312,213
Interest and fees receivable, related parties	(1,744,046)	(491,415)
Accounts payable and accrued expenses	708,171	204,894
Accounts payable, related parties	(35,573)	(91,116)
Deferred revenue	(7,414)	(239,710)
Deferred rent obligation	146,649	160,098
Net cash provided by operating activities	5,053,357	2,133,028
Cash flows from investing activities		
Proceeds from sales and maturities of investments	2,652,518	5,054,321
Purchase of investments	(10,849,940)	(5,820,826)
Collection of notes receivable, related parties	9,040	-
Issuance of notes receivable, related parties	(829,564)	(1,179,733)
Purchase of land, property and equipment and construction-in-progress	(1,005,053)	(2,101,262)
Net cash used in investing activities	(10,022,999)	(4,047,500)
Cash flows from financing activities		
Contributions restricted for long-term purposes	475,000	422,155
Proceeds from notes payable	4,304,200	(25,000)
Net cash provided by financing activities	4,779,200	397,155
Net decrease in cash and restricted cash	(190,442)	(1,517,317)
Cash and restricted cash, beginning of year	6,809,942	8,327,259
Cash and restricted cash, end of year	$ 6,619,500	$ 6,809,942
Reconciliation of cash and restricted cash, beginning of year		
Cash	$ 5,911,683	$ 7,380,003
Residents' security deposits	31,305	31,393
Residents' escrow	127,556	126,765
Employees' flexible spending accounts	63,207	22,140
New Market Tax Credit loan proceeds	57,686	128,708
Note payable collateral	325,422	325,260
Replacement and cash reserves	293,083	312,990
Cash and restricted cash, beginning of year	$ 6,809,942	$ 8,327,259
Reconciliation of cash and restricted cash, end of year		
Cash	$ 5,855,449	$ 5,911,683
Residents' security deposits	32,977	31,305
Residents' escrow	128,131	127,556
Employees' flexible spending accounts	34,861	63,207
New Market Tax Credit loan proceeds	-	57,686
Note payable collateral	325,529	325,422
Replacement and cash reserves	242,553	293,083
Cash and restricted cash, end of year	$ 6,619,500	$ 6,809,942
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	$ 64,816	$ 106,535

See notes to consolidated financial statements.

1 - NATURE OF ORGANIZATION

Nature of Organization and Principles of Consolidation

Project HOME (an acronym for Housing, Opportunities, Medical Care and Education) was formed as a nonprofit corporation in 1989. The mission of Project HOME is to empower adults, children and families to break the cycle of homelessness and poverty, to alleviate the underlying causes of poverty and to enable all of us to attain our fullest potential as individuals and as members of the broader society.

The accompanying consolidated financial statements include the accounts of Project HOME and its Subsidiaries, People of Piety, Inc., 1415 Fairmount Development Corporation, 2415 North Broad Development Corporation, 810 Arch Development Corporation, 1301 North 8th Development Corporation, 1315 North 8th Development Corporation, 1920 East Orleans Development Corporation, KRR Development Corporation and RJD General Partner Inc. (collectively, the "Organization"). All intercompany activities are eliminated. These subsidiaries are Pennsylvania not-for-profit stock corporations formed for the purpose of acquiring, developing and managing affordable housing for low and very-low income individuals. Project HOME owns 100% of the stock of these corporations, except for KRR Development Corporation and RJD General Partner Inc. for which no stock has yet been issued.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements reflect the accounts of the Organization and have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (US GAAP).

Revenues and Support

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASC 606"). The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard supersedes existing revenue recognition guidance. This standard was effective for annual reporting periods beginning after December 15, 2018. Effective July 1, 2019, the Organization adopted ASC 606 using the modified retrospective method. There was no cumulative effect of adopting ASC 606 to be recognized as an adjustment to opening net assets as of July 1, 2019. The initial application was applied to all contracts outstanding at July 1, 2019.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Support (Continued)
In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities– Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This ASU provides a more robust framework to determine when a transaction should be accounted for as a contribution or as an exchange transaction and provides additional guidance about how to determine whether a contribution is conditional. The Organization adopted ASU 2018-08 effective July 1, 2019 on a modified prospective basis. The adoption of this ASU did not impact the consolidated financial statements.

Contracts, Government Funding – In accordance with ASU 2018-08, funding from government contracts is generally considered nonreciprocal transactions. The Organization receives funds on a cost reimbursement basis as well as based on fixed rates as established in the contracts. This revenue has been deemed contribution revenue as the services provided by the Organization benefits the general public and the funders do not receive commensurate value in exchange. The revenue is recognized as the costs are incurred and billed to the funders.

Contributions and Grants – In accordance with ASU 2018-08, grants awarded to the Organization which are generally considered nonreciprocal transactions restricted by funders/supporters for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the grant agreements are met. Unconditional promises to give cash and other assets to the Organization are reported as contributions and recorded at fair value on the date the promise is received. All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions received for specific purposes or with donor stipulations are reported as increases in net assets with donor restrictions. When a donor 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.

Medicare/Medicaid - In accordance with ASC 606, the Organization recognizes revenues in the period in which obligations to provide health care services are satisfied and reports the amount that reflects the consideration that the Organization expects to receive. The contractual relationships with patients, in most cases, also involve a third-party payer (e.g., Medicare, Medicaid and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by or negotiated with the third-party payers. The payment arrangements with third-party payers for the services provided to the related patients typically specify payments at amounts less than the Company's standard charges. The Organization continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Medicare/Medicaid revenues are recognized as performance obligations are satisfied. Performance obligations are based on the nature of services provided. Typically, the Organization recognizes revenue at a point in time in which services are rendered.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Support (Continued)
Program Income and Fees – In accordance with ASC 606, the Organization recognizes revenues in the period in which obligations to provide management, development and other contracted services are satisfied over time.

Special Events - Revenue earned from sponsorships or attendance at fundraising events is recognized at the time of the event. Revenue from sponsorships is considered contribution revenue as they are generally nonreciprocal transactions. Revenue from ticket sales are considered an exchange transaction for the value received. Ticket sales and contributions received in advance of the event are recorded as deferred revenue (contract liability) and refundable advances, respectively, until the event is held.

Net Assets
Net assets, revenues, gains, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, 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 restrictions. From time to time, the Board of Directors or management may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets subject to donor-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 or purposes specified by the donor. Other donor-imposed restrictions are permanent in nature, where the donor stipulates that such resources be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

In-kind Donations
The Organization receives donated goods and services. These goods and services are recorded at their fair value at the time of receipt.

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-18 ("ASU 2016-18"), *Statement of Cash Flows* (Topic 230), for the presentation of restricted cash in the statement of cash flows. ASU 2016-18 applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of period total amounts shown on the statement of cash flows. A retrospective method of adoption is required under ASU 2016-18. The Organization has elected to adopt ASU 2016-18, effective July 1, 2019, with retrospective application to the 2019 statement of cash flows. Accordingly, the consolidated statements of cash flows present a reconciliation of the changes in cash and cash equivalents and restricted cash.

Restricted cash, current portion includes $195,969 and $222,068 as of June 30, 2020 and 2019, respectively, for residents' security deposits, escrows and employees' flexible spending accounts.

Restricted cash, New Market Tax Credit loan proceeds represents cash received from loans under the New Market Tax Credit (NMTC) program (see Note 10), net of qualified expenditures under the program.

For the years ended June 30, 2020 and 2019, the Organization has a restricted interest-bearing cash account on deposit with a bank to be used as collateral for a $1,000,000 note payable to Wells Fargo (see Note 9). The balance in this account of $325,529 and $325,422, as of June 30, 2020 and 2019, respectively, will remain on deposit with the bank until the terms of the note have been met.

Replacement, Operating and Cash Reserves

As of June 30, 2020 and 2019, the Organization has designated reserves of $19,882,838 and $16,633,885, respectively, for future operations as well as building and equipment replacements. These reserves are comprised of a combination of cash and investments. Additionally, cash reserves at June 30, 2019 also includes $64,832 for interest and expense reimbursements required under the NMTC program.

Accounts and Grants Receivable

Accounts and grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of these parties to meet their obligations. Receivables are considered uncollectible if payments are not received in accordance with contract and grant terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance for doubtful accounts was approximately $434,000 and $548,000 as of June 30, 2020 and 2019, respectively.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable
Unconditional promises to give are recognized as support in the period pledged. Management believes that any uncollectible amounts are insignificant, and therefore no allowance has been reflected in the financial statements. Valuation of these receivables takes place at the time of contribution. Pledges due beyond one year are discounted to the estimated present value of the future receipts using U.S. Treasury rates at the time of the pledges. The rates used range from 0.18% to 3.25%.

Notes Receivable, Related Parties
Notes receivable, related parties represent loans provided to related entities to fund predevelopment and development costs for the development of various housing projects and the wellness center (see Note 7). Management evaluates these notes to determine whether it is probable that the Organization will be unable to collect all amounts due according to the contractual terms of the loan agreements based on current information and events for the purpose of recognition of impairment losses. Management has determined that none of the individual notes are deemed to be impaired, and therefore no impairment loss has been reflected in the consolidated financial statements.

Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted or estimated fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the consolidated statements of activities and changes in net assets. Specifically identified cost is used to determine realized gains and losses for investments sold (see also Notes 4 and 5 for investment information).

Debt Issuance Costs and Amortization
Deferred debt issuance costs consist of costs associated with the acquisition of notes payable and include closing costs, legal fees and other related costs, and are subject to amortization. Deferred debt issuance costs are being amortized using the straight-line basis over the life of the related notes and is reported as interest expense in the consolidated statements of activities and changes in net assets. Amortization of deferred debt issuance costs was $4,412 and $8,825 for the years ended June 30, 2020 and 2019, respectively. During the year ended June 30, 2020, the notes associated with the deferred debt issuance costs were forgiven and the remaining balance of deferred debt issuance costs of $291,210 was netted against the loan forgiveness on the accompanying consolidated statements of activities and changes in net assets.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation

Purchased property and equipment is stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are recorded as unrestricted contributions unless the donor has restricted the asset to a specific purpose. The Organization's threshold for capitalizing property and equipment expenditures is $5,000.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	35 years
Building improvements	5 to 35 years
Land improvements	20 years
Leasehold improvements	5 to 15 years
Furniture and equipment	3 to 5 years
Software	3 to 5 years
Vehicles	3 to 5 years

Depreciation expense was $1,205,435 and $1,053,654 for the years ended June 30, 2020 and 2019, respectively.

Deferred Revenue

Deferred revenue includes grants from government agencies and revenue from other sources that have not been earned at year-end, but are expected to be recognized as revenue in the coming year.

Deferred Rent Obligation

The Organization entered into long-term operating lease agreements for certain properties that contain provisions for future annual rent increases. In accordance with generally accepted accounting principles, the Organization records monthly rent expense equal to the total of the payments due over the lease terms divided by the number of months of the lease terms. The difference between rent expense incurred and the amount paid is credited to deferred rent obligation on the accompanying consolidated statements of financial position.

Investments in Limited Partnerships and Housing Development Expenses

The Subsidiaries as defined in Note 1 own .01% of the interest in and are the general partners of several limited partnerships (LPs) as disclosed in Note 14. The investments in these LPs are accounted for under the equity method. These investments are not recoverable and therefore, the capital contributions in these LPs are expensed and included in housing development expenses on the statements of activities and changes in net assets in the year that they are contributed.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the consolidated statement of functional expenses. The Organization records expenses, including salaries, taxes and fringe benefits to programs based on direct charges for those costs that can be specifically identified with the respective programs. For those costs that cannot be specifically identified for a program, the Organization allocates such costs based on the most reasonable basis determined by management such as time and effort spent, personnel costs, square footage or headcount, as applicable.

Reclassifications

Certain 2019 amounts have been reclassified to conform to the 2020 presentation. These reclassifications have no effect on the previously reported change in net assets.

Income Tax Status

The Internal Revenue Service has classified Project HOME as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

People of Piety, Inc., 1415 Fairmount Development Corporation, 2415 North Broad Development Corporation, 810 Arch Development Corporation, 1301 North 8th Development Corporation, 1315 North 8th Development Corporation, 1920 East Orleans Development Corporation, KRR Development Corporation and RJD General Partner Inc. are Pennsylvania not-for-profit stock corporations with minimal activity, but are not recognized by the Internal Revenue Service as not-for-profit organizations for federal income tax purposes.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of the income tax provision. There was no income tax related interest and penalties recorded for the years ended June 30, 2020 and 2019.

3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	As of June 30, 2020	As of June 30, 2019
Cash	$ 5,855,449	$ 5,911,683
Accounts and grants receivable	7,248,505	9,518,606
Accounts receivable, related parties	1,850,209	1,727,634
Pledges receivable, current portion	4,877,462	4,606,045
Notes receivable, related party, current portion	572,000	-
Interest and fees receivable, related parties, current portion	1,193,584	554,837
Investments	53,342,309	42,466,917
Total financial assets available within one year	74,939,518	64,785,722
Less: amounts unavailable for general expenditures within one year, due to		
Restricted by donor with purpose restrictions	(29,782,796)	(25,413,966)
Restricted by donor in perpetuity	(6,728,156)	(6,728,156)
Less: amounts unavailable to management without Board approval		
Board designated funds	(9,245,084)	(6,072,183)
Total financial assets available to management for general expenditure within one year	$ 29,183,482	$ 26,571,417

The Organization's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements and planned increases in program expenditures in fiscal year 2021.

The Organization has certain time and purpose restricted contributions that will also be available for general expenditures in the next year, which are included as liquid assets available in the next year. Accordingly, these assets have been included in the above table of financial assets available to meet general expenditures within one year.

3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

To help manage unanticipated liquidity needs, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Liquidity Management
The Organization has various sources of liquidity, including cash and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the cash flow needs on a monthly basis. As a result, management is aware of the nature of the Organization's cash flow related to its various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs or to support organizational initiatives and development projects. As part of its liquidity plan, excess cash is invested in accordance with the Organization's investment policy. The Organization has investments that can be liquidated, if needed, and made available to meet current cash flow needs. To help manage unanticipated liquidity needs, the Organization also has a committed line of credit of $2,000,000, all of which was unused and available to draw upon as of June 30, 2020.

4 - FAIR VALUE MEASUREMENTS

US GAAP defines fair value, provides guidance for measuring fair value and requires certain disclosures. US GAAP discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). US GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect management's own assumptions.

The following is a description of the valuation methodologies used for investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy, as applicable. There have been no changes in the methodologies.

4 - FAIR VALUE MEASUREMENTS (Continued)

Money market funds, Exchange traded funds and Mutual funds (collectively the "funds") – Valued at the daily closing price as reported by the funds. The funds are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Organization are deemed to be actively traded.

U.S Government and agency obligations, Corporate bonds and Mortgage backed securities – Bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Government obligations and mortgage backed securities are valued using pricing models maximizing the use of observable inputs for similar securities.

Private equity – Net asset values provided by limited partnership investees are based on the NAV per share as reported by the investee as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Other investment – The Organization received donated securities of 15,000 shares of Class B common shares in a corporation and 15,000 common units of a limited liability company during the year ended June 30, 2020 pursuant to a transfer and assignment agreement. The fair value was determined by the assignors basis in the stock and units. The units were liquidated subsequently.

The following tables summarize investment assets measured at fair value:

4 - FAIR VALUE MEASUREMENTS (Continued)

	Investment Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 11,926,403	$ -	$ -	$ 11,926,149
United States Government and agency obligations	-	1,216,996	-	1,216,996
Corporate bonds	-	3,337,144	-	3,337,144
Exchange traded funds				
Domestic Large Cap Value	1,554,172	-	-	1,554,172
Domestic Large Cap Core	6,244,199	-	-	6,244,199
Domestic Large Cap Growth	3,387,726	-	-	3,387,726
Domestic Mid Cap Core	1,105,863	-	-	1,105,863
Domestic Small Cap Broad	801,808	-	-	801,808
Domestic Small Cap Value	360,894	-	-	360,894
International Large Cap Core	2,774,935	-	-	2,774,935
Mutual funds				
Short Term Bond	14,123,369	-	-	14,123,369
Domestic Large Cap Core	3,523,054	-	-	3,523,054
Mortgage backed securities	-	2,685,969	-	2,685,969
Other investments	-	-	287,094	287,094
Total investment in the fair value hierarchy	45,802,423	7,240,109	287,094	53,329,626
Private equity funds reported at net asset value as a practical expedient	-	-	-	12,683
Total investment assets at fair value	$ 45,802,423	$ 7,240,109	$ 287,094	$ 53,342,309

4 - FAIR VALUE MEASUREMENTS (Continued)

	Investment Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 4,772,438	$ -	$ -	$ 4,772,438
United States Government and agency obligations	-	932,951	-	932,951
Corporate bonds	-	3,712,380	-	3,712,380
Exchange traded funds				
Domestic Large Cap Value	1,891,677	-	-	1,891,677
Domestic Large Cap Core	6,162,893	-	-	6,162,893
Domestic Large Cap Growth	2,776,894	-	-	2,776,894
Domestic Mid Cap Core	1,208,103	-	-	1,208,103
Domestic Small Cap Broad	870,800	-	-	870,800
Domestic Small Cap Value	446,211	-	-	446,211
International Large Cap Core	2,930,555	-	-	2,930,555
Emerging Markets	852,301	-	-	852,301
Equity REITs	173,052	-	-	173,052
Mutual funds		-	-	
Short Term Bond	9,524,399	-	-	9,524,399
Global tactical asset allocation	3,259,165	-	-	3,259,165
Mortgage backed securities	-	2,937,906	-	2,937,906
Total investment in the fair value hierarchy	34,868,488	7,583,237	-	42,451,725
Private equity funds reported at net asset value as a practical expedient	-	-	-	15,192
Total investment assets at fair value	$ 34,868,488	$ 7,853,237	$ - -	$ 42,466,917

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

5 - INVESTMENT INCOME

Investment income consists of the following:

	2020	2019
Investment income		
Interest and dividends	$ 1,641,572	$ 1,766,704
Net realized and unrealized gains	885,476	1,490,711
	2,527,048	3,257,415
Interest earned on notes receivable, related parties and cash operating accounts	776,042	733,233
Less investment management fees	(168,800)	(136,986)
Total investment income	$ 3,134,290	$ 3,853,662

6 - PLEDGES RECEIVABLE

Promises to give included in temporarily and permanently restricted revenue are as follows:

	June 30, 2020	June 30, 2019
Receivable in less than one year – gross	$ 4,877,462	$ 4,606,045
Less allowance for uncollectible pledges	-	-
	4,877,462	4,606,045
Receivable in one to five years – gross	4,497,418	6,137,000
Receivable in more than five years	1,065,000	1,075,000
Less total discounts to net present value	(483,951)	(677,465)
Net receivable in one to five years	5,078,467	6,534,535
Total net pledges receivable	$ 9,955,929	$ 11,140,580

7 - NOTES RECEIVABLE, RELATED PARTIES

Notes receivable, related parties consists of various loans entered into as follows (see also Note 14):

	June 30, 2020	June 30, 2019
In July 2003, to assist with the development and construction of a housing project on behalf of 1929 Sansom Limited Partnership, and to satisfy the outstanding acquisition and predevelopment loans, a note totaling $2,866,156 was received; collateralized by a fourth position lien and bears interest at 4.51% per year. (a)(b)	$ 2,866,156	$ 2,866,156
In April 2009, to assist with the development and construction of a housing project on behalf of 1212 Ludlow Limited Partnership, a note totaling $677,750 was received; collateralized by a fourth position lien and bears interest at 3.67% per year; total interest of $24,908 was accrued during each of the years ended June 30, 2020 and 2019; accrued interest as of June 30, 2020 and 2019 was $278,480 and $253,572, respectively. (c)	677,750	677,750

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

	June 30,	
(Continued)	2020	2019
In October 2012, to assist with the acquisition of a ground lease and the construction of a housing project on behalf of 1415 Fairmount Limited Partnership, a note totaling $600,000 was received; collateralized by a third position lien and bears interest at 7% per year compounded monthly; no interest and principal due until the maturity date of the note in October 2042; total interest of $69,549 and $64,768 was accrued during the years ended June 30, 2020 and 2019, respectively; accrued interest as of June 30, 2020 and 2019 was $430,353 and $360,804, respectively.	600,000	600,000
In January 2013, to assist with the construction of a housing project on behalf of 1415 Fairmount Limited Partnership, a note totaling $250,000 was received; collateralized by a second position lien and bears interest at 2.68% per year compounded monthly; no interest and principal due until the maturity date of the note in October 2042; total interest of $8,081 and $7,857 was accrued during the years ended June 30, 2020 and 2019, respectively; accrued interest as of June 30, 2020 and 2019 was $55,529 and $47,448, respectively.	250,000	250,000
In December 2013, to assist with the acquisition, construction and development of a new wellness center on behalf of Klein Wellness Center Investment Fund LLC., a note totaling $10,340,000 was received; collateralized by a first security interest in the pledged securities and related items as defined in the Pledge and Security Agreement; bears interest at 1.40% per year, payable quarterly in arrears; one-time principal payment of $500,000 due in December 2020 and beginning April 2021, a principal and interest payment of $106,351 paid quarterly with the final payment due on December 31, 2048.	10,340,000	10,340,000

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

	June 30,	
(Continued)	2020	2019
In June 2014, to assist with the acquisition, construction and development of a housing project on behalf of 810 Arch Limited Partnership, a note totaling $3,532,504 was received; collateralized by a third position lien on the building and bears interest at 7% compounded annually; total interest of $347,759 and $324,563 was accrued during the years ended June 30, 2020 and 2019, respectively; accrued interest as of June 30, 2020 and 2019 was $1,776,426 and $1,428,667, respectively. (d)	3,532,504	3,532,504
In June 2015, to assist with the acquisition, construction and development of a housing project on behalf of 810 Arch Limited Partnership, a non-interest bearing note totaling $500,000 was received; collateralized by a first position lien; no principal payments due until the maturity date in June 2055.	500,000	500,000
In May 2016, to assist with the acquisition, construction and development of a housing project on behalf of 2415 North Broad Limited Partnership, a note totaling $2,083,071 was received; collateralized by a third position lien and bears interest at 5% compounded annually; total interest of $116,823 and $115,747 was accrued during the years ended June 30, 2020 and 2019, respectively; accrued interest as of June 30, 2020 and 2019 was $464,446 and $347,623, respectively. (e)	1,980,739	1,989,779
In May 2016, to assist with the acquisition, construction and development of a housing project on behalf of 2415 North Broad Limited Partnership, a note totaling $862,500 was received; collateralized by a fourth position lien and bears interest at 5% compounded annually; total interest of $50,390 and $47,925 was accrued during the years ended June 30, 2020 and 2019, respectively; accrued interest as of June 30, 2020 and 2019 was $194,323 and $143,933, respectively. (e)	862,500	862,500

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

	June 30,	
(Continued)	2020	2019
In September 2016, to assist with the construction and development of a housing project on behalf of 2415 North Broad Limited Partnership, a non-interest bearing note totaling \$500,000 was received; collateralized by a second position lien; no principal payments due until the maturity date in May 2048.	500,000	500,000
In September 2017, to assist with the construction and development of a housing project on behalf of 1301 North 8th Limited Partnership, a non-interest bearing note totaling \$668,354 was received; collateralized by a first position lien. The note was satisfied in May 2020. (f)	-	668,354
In April 2019, to assist with the acquisition and predevelopment activities of a housing project on behalf of 115 East Huntingdon Limited Partnership, a non-interest bearing note up to \$1,650,000 was received; collateralized by a first position lien. (g)	1,470,943	1,273,025
In October 2019, to assist with the rehabilitation and development of a housing project on behalf of 1920 East Orleans Limited Partnership, a non-interest bearing note totaling \$300,000 was received; collateralized by a third position lien; no principal or interest payments due until the maturity date in May 2055.	300,000	-
In May 2020, to assist with the acquisition, construction and development of a housing project on behalf of 1301 North 8th Limited Partnership, a note totaling \$1,000,000 was received; collateralized by a third position lien and bears interest at 6.5% compounded annually; total interest of \$6,038 was accrued during the year ended June 30, 2020; accrued interest as of June 30, 2020 was \$6,038. (h)	1,000,000	-
	24,880,592	24,060,068
Notes receivable, related parties, current portion	(572,000)	-
Total long term notes receivable, related parties	\$ 24,308,592	\$ 24,060,068

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

(a) In September 2007, the construction loan to 1929 Sansom Limited Partnership was repaid with a permanent loan financed by Project HOME at the same interest rate. Principal and interest on the permanent loan will be due and payable upon the sooner of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property, or (4) 30 years from the date of the mortgage note (September 2037).

(b) In 2007, Project HOME adopted a policy whereby interest on permanent mortgages given to affiliated entities in furtherance of its mission will not be accrued unless it is determined with a high probability that the interest will be repaid pursuant to the terms of the note. Since the high probability threshold could not be satisfied for the interest on the permanent note to 1929 Sansom Limited Partnership, no interest has been accrued on this note since 2007. As of June 30, 2020 and 2019, the total prior accrued interest owed on the permanent loan to 1929 Sansom Limited Partnership was $477,023. Project HOME will continue to assess the probability that interest would be repaid when determining whether or not to accrue interest on this note in accordance with its policy.

(c) Principal and accrued interest on the note will be due and payable upon the sooner of (1) the sale of the property, (2) the refinancing of the property, (3) incident of default under the Note Agreement, or (4) the maturity date in June 2040.

(d) Principal and accrued interest on the note will be due and payable upon the sooner of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of the legal or equitable title to the property, or (4) the maturity date in June 2034.

(e) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property, or (4) the maturity date in May 2048.

(f) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property, or (4) the maturity date in September 2022. This note was rolled into the new note in (h).

(g) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property and (4) the maturity date in April 2024.

(h) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property or (4) the maturity date in May 2062.

8 - LAND, PROPERTY AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS

Land, property and equipment consists of the following:

	June 30, 2020	June 30, 2019
Land	$ 1,541,196	$ 1,535,843
Land improvements	601,701	601,701
Building and building improvements	21,891,421	21,888,534
Leasehold improvements	4,285,407	2,135,109
Furniture and equipment	4,556,226	4,479,731
Software	746,899	746,899
Vehicles	478,170	502,393
	34,101,020	31,890,210
Less accumulated depreciation	(14,264,080)	(13,082,867)
	$ 19,836,940	$ 18,807,343

Construction-in-progress of $276,183 and $1,506,163 as of June 30, 2020 and 2019, respectively, represents costs incurred for current renovation projects as well as leasehold improvement projects not placed in service as of year-end.

During the year ended June 30, 2020, the Organization disposed of $24,223 of fully depreciated property. During the year ended June 30, 2019, there were no dispositions of property.

9 - NOTES PAYABLE

Notes payable consists of various loans entered into as follows:

	June 30, 2020	June 30, 2019
Unsecured note payable to Pennsylvania Housing Finance Agency for the Honickman Learning Center/Comcast Technology Labs, conditional upon continuation of the facility; to be forgiven in full in 2032 (a)(b)	$ 450,000	$ 450,000
Note payable to Wells Fargo Mortgage advanced from the Federal Home Loan Bank of San Francisco's Affordable Housing Program; to be forgiven in full in December 2025; collateralized by a note receivable owed from a related party and a restricted cash collateral account held by the lender (a)(b)	1,000,000	1,000,000
Note payable to Redevelopment Authority of Philadelphia, noninterest-bearing except in the event of default (as defined in the agreement), for acquisition of a property to provide residential housing; principal balance to be forgiven in November 2025, the fifteenth anniversary of the completion of the development of the property; collateralized by a first mortgage on the property (a)(b)	944,671	944,671
Note payable to Redevelopment Authority of Philadelphia, noninterest-bearing except in the event of default (as defined in the agreement), for development of a property to provide residential housing; principal balance to be forgiven in May 2041, the thirtieth anniversary of the original date of the note; collateralized by a second mortgage on the property (a)(b)	8,221,686	8,221,686

9 - NOTES PAYABLE (Continued)

(Continued)	June 30, 2020	2019
Non-interest bearing note payable to Project HOME Community Development Corporation, advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after completion of the related project; collateralized by a second mortgage on the property (a)(b)	250,000	250,000
Non-interest bearing note payable to PNC Bank N.A., advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after completion of the related project; collateralized by a second mortgage on the property (a)(b)	250,000	250,000
Note payable to New Markets Investment 79, LLC; annual interest rate of 1.10%; interest only due and payable quarterly beginning on April 10, 2013; note was fully forgiven in January 2020 (see Note 10)	-	6,685,000
Note payable to PNC CDE 25, LP; annual interest rate of 1.10%; interest only due and payable quarterly in arrears for 15 years beginning on April 10, 2013; note was fully forgiven in January 2020 (see Note 10)	-	2,122,500
Note payable to PNC CDE 25, LP; annual interest rate of 1.10%; interest only due and payable quarterly in arrears for 15 years beginning on April 10, 2013; note was fully forgiven in January 2020 (see Note 10)	-	877,500
Note payable to Capital One Bank, advanced from Federal Home Loan Bank of Atlanta; to be forgiven in full 15 years after completion of the related project collateralized by a second mortgage on the property (a)(b)	500,000	500,000
Note payable to PNC Bank N.A., advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after completion of the related project; collateralized by a second mortgage on the property (a)(b)	500,000	500,000

9 - NOTES PAYABLE (Continued)

	June 30,	
(Continued)	2020	2019
Note payable to PNC Bank N.A., advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after the completion of the project; collateralized by a third mortgage on the property (a) (b)	300,000	-
Note payable to Bank, under the Paycheck Protection Program. Due in monthly payments of $226,341 beginning May 2021, including interest at 1% per annum, matures October 2022 if not forgiven. (c)	4,004,200	-
	16,420,557	21,801,357
Less unamortized debt issuance costs	-	(295,622)
Long-term notes payable, net of unamortized debt issuance costs	16,420,557	21,521,910
Less current maturities	(444,040)	(35,000)
Total long-term notes payable	$ 15,976,517	$ 21,470,735

(a) These notes are noninterest-bearing. The Organization has reported imputed interest at 3% to 5% per annum for loans executed since 2011 and at 5% per annum for loans executed prior to 2011, amounting to $507,104 and $495,854 for the years ended June 30, 2020 and 2019, respectively, which is included in contributions revenue and interest expense on the consolidated statements of activities and changes in net assets.

(b) Subject to the conditions of compliance in the various agreements noted above, $12,416,357 of this amount is expected to ultimately be forgiven, rather than repaid by the Organization.

(c) As a result of COVID-19, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "Act") was signed into law. The Act amends the Small Business Act to include a new guaranteed, unsecured loan program (the "Paycheck Protection Program"). The loan has a term of two years and is subject to interest of 1%. Subject to certain conditions as defined in the Act, up to 100% of the loan may be forgiven. To the extent the loan amount is not forgiven, the Organization must make equal monthly payments of principal and interest, beginning May 2, 2021, until the maturity date, October 2, 2022.

9 - NOTES PAYABLE (Continued)

Scheduled future maturities and self-amortizing amounts of long-term debt are as follows:

Year Ending June 30,		
2021	$	444,040
2022		2,219,536
2023		1,340,624
2024		-
2025		-
Thereafter (b)		12,416,357
	$	16,420,557

The Organization has available a $2,000,000 revolving bank line-of-credit with up to $250,000 of letters of credit, which expires on June 3, 2021 and is secured by certain assets of the Organization. There is no outstanding balance on this line-of-credit as of June 30, 2020 and 2019. The line-of-credit bears interest at the bank's prime rate (3.25% and 5.5% as of June 30, 2020 and 2019, respectively). In addition, the Organization has available a separate $2,000,000 line of credit with up to $2,000,000 in standby letters of credit, which is secured by an investment account. There were no outstanding letters of credit at June 30, 2020. At June 30, 2019 there was an outstanding letter of credit in the amount of $2,000,000, which was canceled on July 5, 2019.

10 - NEW MARKET TAX CREDITS

In January 2013, under the Federal New Market Tax Credits Program (NMTC), Project HOME entered into a transaction that resulted in approximately $9.7 million net proceeds to ultimately be used to fund operations and certain capital projects. To effect the transaction, Project HOME leveraged $7 million contributed by a third party to the leveraged lender, Project HOME CDC, a related entity, to generate the tax credits for the tax credit investor (PNC New Market Investment Partners, LLC) which also contributed $3 million, for a combined investment amount of $10 million. The proceeds, net of closing costs, came to Project HOME in the form of notes payable with mostly interest only payable quarterly for fifteen years and principal and interest payments due thereafter until their maturity date in January 2053 (see Note 9).

The NMTC is a Federal tax credit available over a seven year period to investors, during which time certain compliance obligations must be met. Project HOME has assumed responsibility with these compliance obligations. During this period, Project HOME Services Division, the qualified active low-income community business (QALICB), was expected to maintain separate accounting of the use of the NMTC funds within Project HOME's books and records, refrain from engaging in prohibited activities and pay the debt service on the loans. The credits were subject to recapture from the investor if the compliance obligations were not sufficiently met.

10 - NEW MARKET TAX CREDITS (Continued)

The seven-year compliance period ended in January 2020 and the tax credit investor exercised a put option that required Project HOME to purchase all of the tax credit investor's interest in the transaction for a nominal price of $1,000. All notes related to this transaction were forgiven and the income was recorded as forgiveness of debt on the consolidated statement of activities and changes in net assets in the amount of $9,393,790, net of debt issuance costs of $291,210.

11 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's designated net assets without donor restrictions are comprised of amounts for the following purposes:

Board Designated Funds
The Board has designated funds to be reserved for short term and project development needs of the Organization. This designated balance at June 30, 2020 and 2019 was $9,245,084 and $6,072,183, respectively.

Other Designated Funds
Management has designated certain funds for future capital improvements to the Organization's facilities. The designated balance at June 30, 2020 and 2019 was $10,661,704 and $10,737,972, respectively.

12 - NET ASSETS WITH DONOR RESTRICTIONS

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

	June 30,	
	2020	2019
Housing and support services	$ 14,965,573	$ 12,798,057
Outreach services	797,775	461,891
Education and employment services	6,632,947	6,313,252
Health services	988,796	566,172
Strategy and impact services	1,111,750	1,434,967
General operating reserve and other	909,268	684,056
Plant acquisitions	1,751,709	2,347,371
Capital acquisitions and financing	7,703,445	7,342,734
Honickman Learning Center/Comcast Technology Labs – held in perpetuity	6,728,156	6,728,156
	$ 41,589,419	$ 38,676,656

12 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes by the expiration of a time restriction or by occurrence of other events specified by donors as follows:

	June 30, 2020	June 30, 2019
Net assets released for operations:		
Housing and support services	$ 2,442,968	$ 1,469,888
Outreach services	207,618	24,207
Education and employment services	2,416,470	2,497,808
Health services	422,513	362,412
Advocacy and impact initiatives	45,754	114,084
General operating reserve and other	287,901	2,708,143
Plant acquisitions	762,564	1,276,320
Capital acquisitions and financing	743,152	3,172,376
	$ 7,328,940	$ 11,625,238

13 - RESTRICTED ENDOWMENT FUNDS

The Organization's endowment fund includes funds restricted by the respective donors for various purposes including, the Honickman Learning Center/Comcast Technology Labs ("HLCCTL"), housing and support services, and general operating reserves. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Organization reviews the endowment funds as well as operating reserve funds annually and establishes the spending rate to be used for each fiscal year. The approved spending rate for each of the years ended June 30, 2020 and 2019 was 4% of the average market value of the endowment funds for the preceding three years. The full return on the investments of the endowment fund and the donor restricted operating reserve fund is calculated and recorded as investment income with donor restrictions. From this amount, the Organization releases funds from investment income with donor restrictions to investment income without donor restrictions as needed. The amount released is limited to the established spending rate for the fiscal year plus funds needed from the donor restricted operating reserve fund for expenditures that meet the restrictions established by the donor. Any unreleased spending rate funds remain in net assets with donor restrictions to be used to support operations in subsequent years.

13 - RESTRICTED ENDOWMENT FUNDS (Continued)

Return Objectives and Risk Parameters
The Organization has adopted investment and spending policies that attempt to provide a relatively predictable and growing stream of annual distributions in support of the Organization while preserving the long-term, real purchasing power of assets. An additional purpose of the endowment fund is to provide a source of funds for a time when the Organization may face a financial emergency, subject to any funds being utilized in such a manner being consistent with the original donor restrictions. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization's current asset allocation targets a strategic composition of 57.5% equities, 37.5% fixed income and 5% cash equivalents, each with an acceptable range of variation.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The earnings on the endowment net assets are included in net assets with donor restrictions and released as used in operations in accordance with the spending rate policy.

The Organization's endowment fund had the following activity:

	June 30, 2020	June 30, 2019
Endowment net assets, beginning of year	$ 17,447,041	$ 17,162,607
Investment return		
Investment income	348,901	410,285
Net appreciation (realized and unrealized)	236,709	636,390
Total investment return	585,610	1,046,675
Contributions	229,727	-
Appropriation of endowment assets for expenditure	(668,509)	(762,241)
Changes in net assets	146,828	284,434
Endowment net assets, end of year	$ 17,593,869	$ 17,447,041

13 - RESTRICTED ENDOWMENT FUNDS (Continued)

The endowment consisted entirely of donor restricted funds as of June 30, 2020 and 2019, of which $6,728,156 is restricted in perpetuity.

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has no underwater endowment funds as June 30, 2020 and 2019.

14 - RELATED PARTY TRANSACTIONS

The Organization has entered into several arrangements with various limited partnerships and other non-profit corporations as well as a community development corporation to develop affordable community housing and shelter programs. This is done by providing various loans, short-term advances and services to manage, support and develop the properties. Certain officers of Project HOME serve on the Board of Directors of these entities, none of which meet the requirements to be included in the accompanying consolidated financial statements. For some of the properties, Project HOME owns 100% of the stock of the general partners, which are included in the consolidated financial statements. These subsidiaries own .01% of the interest in and are the general partners of several limited partnerships (LPs). The investments in these LPs are accounted for under the equity method. These investments are not recoverable and therefore, the capital contributions in these LPs are expensed and included in housing development expenses on the statements of activities and changes in net assets in the year that they are contributed. In addition, Project HOME has helped finance some of these projects through loans payable, which are expected to be forgiven, rather than repaid, at the end of the applicable compliance period as disclosed in Note 9.

As of June 30, 2020, there was no balance in accounts payable, related parties. As of June 30, 2019, accounts payable, related parties of $35,573 represents monies received by Project HOME under a grant that is passed through to a related entity for rental subsidies.

The Organization had related party balances and activity as of and for the year ended June 30, as follows:

14 - RELATED PARTY TRANSACTIONS (Continued)

June 30, 2020:

Entity	Accounts Receivable	Notes Receivable (b)	Interest and Fees Receivable (b)	Interest Income (b)	Management and Maintenance Fees (c)	Supportive Service Fees (c)	Developer Fees (c)
Project HOME Community Development Corporation	$ 16,417	$ -	$ -	$ -	$ 328,279	$ -	$ -
115 East Huntingdon Limited Partnership	-	1,470,943	-	-	-	-	-
810 Arch Limited Partnership	3,674	4,032,504	1,776,426	347,759	372,353	51,004	-
1212 Ludlow Limited Partnership	75,069	677,750	418,448	24,908	364,737	-	-
1301 North 8th Limited Partnership	75,150	1,000,000	152,584	4,604	-	-	266,546
1315 North 8Th Limited Partnership	16,871	-	558,982	-	79,108	-	-
1415 Fairmount Limited Partnership	25,909	850,000	485,781	77,630	204,566	24,893	-
1850 North Croskey Development Corporation	6,355	-	98,883	-	57,395	-	-
1900 North Judson Limited Partnership	555,572	-	-	-	177,009	87,137	-
1920 East Orleans Limited Partnership	518,167	300,000	1,115,115	-	715	-	1,068,905
1929 Sansom Limited Partnership	501,483	2,866,156	477,023	-	512,614	134,572	-
2415 North Broad Limited Partnership	44,315	3,343,239	687,437	167,213	308,025	53,841	-
2700 Diamond Development Corporation	(1,195)	-	-	-	55,022	-	-
Mpower Development Corp	6,043	10,340,000	-	144,760	55,279	-	-
Other	6,379	-	-	-	-	-	-
	$ 1,850,209	$ 24,880,592	$ 5,770,679	$ 766,874	$ 2,515,102	$ 351,446	$ 1,335,451

(a) Accounts receivable, related parties represents advances to related parties for operational purposes.
(b) See Note 7 for further details.
(c) The Organization receives management and maintenance fees for providing services to manage the properties for certain related parties. The Organization receives developer fees for services rendered in connection with the development and construction of certain projects on behalf of related parties. The Organization receives a supportive services fee for providing social and supportive services to residents for certain related parties. All of these fees are reported within program income and fees, related parties on the consolidated statements of activities and changes in net assets.

14 - RELATED PARTY TRANSACTIONS (Continued)

<u>June 30, 2019</u>:

Entity	Accounts Receivable	Notes Receivable (b)	Interest and Fees Receivable (b)	Interest Income (b)	Management and Maintenance Fees (c)	Supportive Service Fees (c)	Developer Fees (c)
Project HOME Community Development Corporation	$ 91,515	$ -	$ -	$ -	$ 347,265	$ -	$ -
115 East Huntingdon Limited Partnership	-	1,273,025	-	-	-	-	-
810 Arch Limited Partnership	101,145	4,032,504	1,428,667	324,563	422,305	52,094	-
1212 Ludlow Limited Partnership	68,542	677,750	393,541	24,873	339,803	-	-
1301 North 8th Limited Partnership	277,736	668,354	-	-	-	-	-
1315 North 8Th Limited Partnership	71,853	-	652,500	-	25,544	-	710,099
1415 Fairmount Limited Partnership	55,115	850,000	408,252	72,625	266,195	41,993	-
1850 North Croskey Development Corporation	39,026	-	98,883	-	56,268	-	-
1900 North Judson Limited Partnership	379,868	-	-	-	166,749	84,600	-
1920 East Orleans Limited Partnership	149,556	-	46,210	-	-	-	431,095
1929 Sansom Limited Partnership	361,939	2,866,156	477,023	-	586,132	130,652	-
2415 North Broad Limited Partnership	84,997	3,352,279	521,557	163,672	364,954	52,273	-
2700 Diamond Development Corporation	15,732	-	-	-	64,190	-	-
Mpower Development Corp	20,800	10,340,000	-	144,760	68,491	-	-
Other	9,810	-	-	-	-	-	-
	$ $1,727,634	$ 24,060,068	$ 4.026,633	$ 730,493	$ 2,707,896	$ 361,612	$ 1,141,194

(d) Accounts receivable, related parties represents advances to related parties for operational purposes.

(e) See Note 7 for further details.

(f) The Organization receives management and maintenance fees for providing services to manage the properties for certain related parties. The Organization receives developer fees for services rendered in connection with the development and construction of certain projects on behalf of related parties. The Organization receives a supportive services fee for providing social and supportive services to residents for certain related parties. All of these fees are reported within program income and fees, related parties on the consolidated statements of activities and changes in net assets.

15 - DONATED PROPERTY AND SERVICES

For the years ended June 30, 2020 and 2019, the Organization recorded $130,150 and $261,918, respectively, of in-kind contributions for legal and other professional services performed. In addition, the Organization recorded $113,441 and $75,792 of in-kind contributions for the use of donated facilities for the years ended June 30, 2020 and 2019, respectively. These contributions are reported within revenue and expenses on the consolidated statements of activities and changes in net assets. The Organization also recorded $99,150 of in-kind contributions for capital purchases made during the year ended June 30, 2019 which are reported within revenue on the consolidated statements of activities and changes in net assets and capitalized as property on the consolidated statements of financial position.

Additionally, a substantial number of volunteers donate their time to the Organization for program services. No amounts have been included in the consolidated financial statements for such services since the volunteers' time does not meet the criteria necessary for financial statement recognition.

16 - RETIREMENT PLANS

The Organization established a Deferred Compensation Plan under Internal Revenue Code Section 457(f). The purpose of the plan is to provide deferred compensation for the benefit of a select group of management and highly compensated employees of the Organization. Distributions under this plan are paid in accordance with the plan's vesting schedule. The plan is being funded annually in a separate investment. As of June 30, 2020 and 2019, an asset and liability for $328,332 and $232,669, respectively, is payable under the plan and reflected in accounts payable and accrued expenses and investments. For the year ended June 30, 2020 and 2019, the deferred compensation expense recognized was $125,700 and $123,000, respectively.

The Organization maintains a 401(k) retirement savings plan for all eligible employees as defined. Under the plan, employees may contribute a percentage of their eligible gross wages to the plan and the Organization matched 100% for each dollar up to 5% of each employee's salary for the fiscal years ended June 30, 2020 and 2019. Pension expense incurred for the years ended June 30, 2020 and 2019 was $435,183 and $406,439, respectively.

17 - COMMITMENTS AND CONTINGENCIES

Leases

As of June 30, 2020, the Organization had entered into various operating lease agreements for the rental of equipment and office and residential facilities expiring through December 2043, including some with related parties. The annual minimum future lease payments as of June 30, 2020 are as follows:

Year Ending June 30,	
2021	$ 910,052
2022	700,617
2023	714,059
2024	720,913
2025	725,501
Thereafter	15,869,407
	$ 19,640,549

Rental expense under all operating leases for the years ended June 30, 2020 and 2019 was $1,213,194 and $1,181,066, respectively.

Legal Matters

In the course of its business operations, the Organization is involved in various legal matters, which are generally covered by insurance. As of June 30, 2020, management believes there is no exposure to such matters that, if decided adversely, would be material to the consolidated financial statements or would not be covered by insurance.

Funding Sources

Approximately 43% of the Organization's revenue and support, excluding forgiveness of debt, is from government contracts, including Medicaid and Medicare, for each of the years ended June 30, 2020 and 2019, respectively. Until the financial information required by these government funding sources is accepted, costs billed for program services under these contracts are subject to review and possible disallowance. In management's opinion, such disallowance, if any, would not be material to the consolidated financial statements. Further, collection of receivables arising under these contracts is subject to the availability of funds from these funding sources.

Guarantees

In the ordinary course of its mission and operations, Project HOME provides various tax credit, operating deficit and construction completion guarantees as well as guarantees in the event of noncompliance for certain related entities described in Note 14. Management does not believe that any of these guarantees result in a liability for financial reporting purposes.

18 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC). Each of these accounts is guaranteed by the FDIC up to $250,000. At times, during the year, these balances may exceed FDIC limits. At June 30, 2020 the Organization had approximately $7,000,000 of uninsured balances.

The Organization invests in various investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the consolidated statements of financial position. The Board of Trustees has implemented investment guidelines intended to mitigate the investments' risk. See Notes 2, 4 and 13 for investment information.

19 - UNCERTAIN TAX POSITIONS

Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying financial statements.

20 - RISKS AND UNCERTAINTIES

The spread of a novel strain of coronavirus (COVID-19) around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

21 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 30, 2020, which is the date the consolidated financial statements were available to be issued, and no material events were noted that would require adjustment to or disclosure in the consolidated financial statements.