

Friends of the Rouge

**Financial Statements
December 31, 2020**

**With Comparative Totals
For the Year Ended December 31, 2019**

Friends of the Rouge
Table of Contents
December 31, 2020

Financial Statements

Independent Auditors' Report.....	1
Statement of Financial Position.....	2
Statement of Activities and Changes in Net Assets.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to the Financial Statements.....	6-12

Independent Auditors' Report

To the Board of Directors
Friends of the Rouge
Plymouth, Michigan

We have audited the accompanying financial statements of Friends of the Rouge (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Rouge as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited Friends of the Rouge's 2019 financial statements, and our report dated June 23, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cole, Newton & Duran

Cole, Newton & Duran
Livonia, Michigan
July 30, 2021

Friends of the Rouge
Statement of Financial Position
December 31, 2020
With Comparative Totals for December 31, 2019

ASSETS	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 306,385	\$ 85,577
Investments	328,539	313,678
Grants receivable	889,050	173,500
Other receivables	14,366	7,460
Prepaid expenses	9,802	8,090
Total current assets	\$ 1,548,142	\$ 588,305
PROPERTY AND EQUIPMENT		
Furniture, fixtures, and equipment	211,691	209,761
Less accumulated depreciation	(83,352)	(60,850)
Net property and equipment	128,339	148,911
LONG-TERM ASSETS		
Quasi-endowment fund	113,686	105,946
TOTAL ASSETS	\$ 1,790,167	\$ 843,162
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 336,877	\$ 5,453
Accrued expenses	15,831	21,550
Capital lease, current portion	18,251	15,710
Total current liabilities	370,959	42,713
OTHER LIABILITIES		
Deferred rent	15,475	14,492
Capital lease, long-term portion	28,997	49,317
Total long-term liabilities	44,472	63,809
Total liabilities	415,431	106,522
NET ASSETS		
Without donor restrictions	535,075	435,489
With donor restrictions	839,661	301,151
Total net assets	1,374,736	736,640
TOTAL LIABILITIES AND NET ASSETS	\$ 1,790,167	\$ 843,162

See Notes to the Financial Statements

Friends of the Rouge
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
SUPPORT AND REVENUE				
Contributions	\$ 210,872	\$ -	\$ 210,872	\$ 127,229
In-kind donations	2,600	-	2,600	-
Product sales	45,325	-	45,325	-
Grants	504,922	836,255	1,341,177	500,248
Membership dues	36,644	-	36,644	25,695
Investment income (loss)	6,892	-	6,892	58,372
Income from endowment	12,047	-	12,047	12,137
Special events and appeals	74,522	-	74,522	50,794
Miscellaneous income	22,932	-	22,932	7,172
Subtotal	916,756	836,255	1,753,011	781,647
Net assets released from restrictions	297,745	(297,745)	-	-
Total support and revenue	1,214,501	538,510	1,753,011	781,647
FUNCTIONAL EXPENSES				
Program services	835,421	-	835,421	580,056
Management and general	159,042	-	159,042	196,679
Fundraising	120,452	-	120,452	54,358
Total functional expenses	1,114,915	-	1,114,915	831,093
INCREASE (DECREASE) IN NET ASSETS	99,586	538,510	638,096	(49,446)
NET ASSETS AT BEGINNING OF YEAR	435,489	301,151	736,640	786,086
NET ASSETS AT END OF YEAR	<u>\$ 535,075</u>	<u>\$ 839,661</u>	<u>\$ 1,374,736</u>	<u>\$ 736,640</u>

See Notes to the Financial Statements

**Friends of the Rouge
Statement of Functional Expenses
For the Years Ended December 31, 2020**

With Comparative Totals for the Year Ended December 31, 2019

	2020			2019	
	Program	Management and general	Fundraising	Total expenses	Totals
Salaries, wages, and benefits	\$ 329,611	\$ 123,063	\$ 82,743	\$ 535,417	\$ 440,247
Project expenses	415,945	-	-	415,945	218,431
Supplies	4,850	1,528	559	6,937	5,867
Technology and database	4,971	1,471	538	6,980	7,343
Travel and business expense	-	10,032	-	10,032	8,302
Auto maintenance and insurance	1,116	-	-	1,116	1,404
Training and professional development	129	-	-	129	4,646
Contract and professional fees	10,592	3,337	1,221	15,150	25,978
Advertising and promotion	7,446	1,716	1,532	10,694	9,970
Board functions	-	324	-	324	770
Liability insurance	5,832	494	181	6,507	6,115
Postage and shipping	1,711	539	197	2,447	2,031
Rent	26,729	8,304	3,038	38,071	38,071
Telephone	3,513	1,107	405	5,025	5,297
Outside printing and copier	3,932	518	621	5,071	7,542
Interest expense	2,331	734	269	3,334	5,402
Bank and credit card fees	-	-	251	251	802
Miscellaneous expenses	980	919	156	2,055	5,864
Annual meeting expense	-	-	2,403	2,403	4,633
Fundraising events	-	-	24,525	24,525	10,909
Depreciation	15,733	4,956	1,813	22,502	21,469
Total expenses	\$ 835,421	\$ 159,042	\$ 120,452	\$ 1,114,915	\$ 831,093

See Notes to the Financial Statements

Friends of the Rouge
Statement of Cash Flows
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 638,096	\$ (49,446)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	22,502	21,469
(Gain) loss on investments	3,428	(53,014)
(Gain) loss on endowment fund	(12,819)	(17,179)
(Increase) decrease in assets:		
Grants receivable	(715,550)	43,484
Other receivables	(6,906)	(2,982)
Prepaid expenses	(1,712)	(1,464)
Increase (decrease) in liabilities:		
Accounts payable	331,424	(15,683)
Accrued expenses	(5,719)	2,755
Refundable advances	-	(26,000)
Deferred rent	983	1,351
Net cash provided by (used in) operating activities	253,727	(96,709)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,930)	(10,731)
Purchase of investments	(40,266)	(33,700)
Proceeds from sales of investments	27,056	113,385
Net cash provided by (used in) investing activities	(15,140)	68,954
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease payable	(17,779)	(15,710)
Net cash provided by (used in) financing activities	(17,779)	(15,710)
NET INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS)	220,808	(43,465)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	85,577	129,042
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 306,385	\$ 85,577
Supplemental disclosures		
Cash paid for interest	\$ 3,334	\$ 5,402
Cash paid for income taxes	\$ -	\$ -

See Notes to the Financial Statements

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 1 – Nature of Activities

Friends of the Rouge (the Organization) was incorporated for the purpose of promoting the restoration and stewardship of the Rouge River watershed through public education and public involvement. The Organization's principal services include facilitating and coordinating Public Involvement Programs and the Rouge Education Project. The Organization's principal revenue sources include grants as well as contributions from metropolitan Detroit companies, communities, and other corporations and individuals.

NOTE 2 – Summary of Significant Accounting Policies

Basis of accounting – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Without donor restrictions – consist of resources that are not restricted by any donor-imposed stipulations.

With donor restrictions – consist of resources of which the use by the Organization is limited by donor-imposed stipulations.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments – FASB guidance on fair value measurement defines fair value, establishes a framework for measuring fair value, and expands disclosure of fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. The carrying amounts of financial instruments, including cash, cash equivalents, receivables, prepaids, accounts payable, and accrued liabilities, approximate fair value due to the short-term maturity of these instruments.

Cash equivalents – The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Money market funds that are managed by an investment broker are considered investments.

Receivables – Receivables consist primarily of grants and unconditional promises to give and are recorded at estimated fair value. Management considers the amounts to be fully collectible, accordingly, no allowance for doubtful accounts has been provided. Uncollectible accounts are written off in the year they are deemed uncollectible.

Property and equipment – The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are recorded at cost. Donated assets are recorded at fair market value at the time of donation. Depreciation is recognized using the straight-line method over the estimated life of the asset. Major repairs and improvements are capitalized and depreciated while minor repairs and replacements are charged to expenditures as incurred. Gains and losses on dispositions are reflected in current operations. Depreciation expense for the years ended December 31, 2020 and 2019, was \$22,502 and \$21,469, respectively.

Investments – Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 2 – Summary of Significant Accounting Policies (continued)

Revenue recognition – Contributions are recognized as revenue in the year received or unconditionally promised by the donor. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are reported as support without 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 classified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

In-kind contributions – Use of workshop facilities, donated professional services, and donated goods and materials are recorded at the estimated fair value as revenue and expense. The Organization received \$2,600 and \$0 of donated goods and materials for the years ended December 31, 2020 and 2019, respectively.

Allocation of functional expenses – The cost of providing program and support services have been reported on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program are charged directly to that program. Expenses that cannot be identified with a specific program require allocation on a reasonable basis that is consistently applied. Expenses that are allocated are done so based on time sheets and the ratio of program salaries to total salaries. Management and general expenses include those costs that are not identifiable with any program, but which provide for the overall support and direction of the Organization.

Advertising and promotion – Advertising and promotion expenditures are charged to expense as incurred. Advertising and promotion expenses for the years ended December 31, 2020 and 2019, were \$10,694 and \$9,970, respectively.

Tax status – The Organization is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. The Organization is no longer subject to Internal Revenue Service examinations for years prior to 2017. Management has evaluated FASB ASC 740, *Income Taxes*, and has concluded it has no uncertain positions.

Subsequent events – Management has evaluated events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued.

NOTE 3 – Concentration of Credit Risk

Cash – The Organization maintains its cash balances at financial institutions located in southeastern Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in any one bank. At times during the year, balances on deposit in any one bank may exceed the insured amount. Uninsured balances as of December 31, 2020 and 2019, were \$20,991 and \$0, respectively. The Organization has not experienced any losses with respect to uninsured cash balances.

Receivables – Concentrations of grants receivable include grants from four sources, which made up approximately 83% of grants receivable at December 31, 2020. Concentrations at December 31, 2019, include one grant from a foundation, which made up approximately 46% of the total grants receivable at year end.

Investments – Fund held in brokerage accounts are not covered by the FDIC, but are covered by the Securities Investor Protection Corporation (SIPC), which insures certain claims up to \$500,000, including a \$250,000 limit for cash. Uninsured balances in brokerage accounts at the years ended December 31, 2020 and 2019, were \$0. The Organization has not experienced any losses with respect to uninsured deposits.

Revenue – Concentrations of revenue include grants from two sources totaling \$644,684, which made up approximately 48% of the total grant revenue for the year ended December 31, 2020. Concentration for the year ended December 31, 2019, includes grants from one foundation totaling \$120,000 which made up approximately 24% of grant revenue.

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 4 – Contingencies

The final determination of revenue is subject to the acceptance of program costs by the contracting agency. To the extent that costs are disallowed by the contracting agency, Organization monies would be required to reimburse the applicable agency. The Organization does not believe that any potential disallowed costs would be material to the financial statements.

NOTE 5 – Operating Leases

Office space – The Organization entered into a lease agreement for office space covering a 64-month period, beginning May 1, 2018, and ending September 30, 2023. Monthly payments at the inception of the lease amounted to \$3,060, with payments beginning September 1, 2018, subject to rent escalations as detailed in the leasing agreement. The Organization recognizes lease obligations on a straight-line basis in accordance with ASC 840-20, *Operating Leases*. As such, the Organization’s total rent expense under this lease for the years ended December 31, 2020 and 2019, amounted to \$38,071 and \$38,071, respectively. The difference between total rent expense and the lease payments, required by the lessee, amounted to a deferred rent amount of \$15,475 and \$14,492 as of December 31, 2020 and 2019, respectively. Future minimum lease payments as of December 31, 2020, are as follows:

December 31,		
2021	\$	38,204
2022		39,352
2023		26,752
Total	\$	<u>104,308</u>

Office equipment – The Organization leases office equipment for \$326 a month, plus usage, under an operating lease, effective April 2016 through July 2021. Lease expense for the years ended December 31, 2020 and 2019, was \$4,626 and \$5,400, respectively. Future minimum rental commitments under this lease are as follows:

December 31,		
2021	\$	<u>1,956</u>

NOTE 6 – Capital Lease

The Organization leases office furniture under a capital lease expiring in June 2023. The assets and liabilities under the capital lease are recorded at the present value of the minimum lease payments for the fair value of the asset. The imputed interest rate is 7.34%. The assets are depreciated over their estimated productive lives. Amortization of assets under the capital lease is included in depreciation expense. The following is a summary of property held under the capital lease:

	2020	2019
Equipment	\$ 89,693	\$ 89,693
Accumulated amortization	(22,423)	(13,454)
	<u>\$ 67,270</u>	<u>\$ 76,239</u>

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 6 – Capital Lease (continued)

Minimum future lease payments under the capital lease as of December 31, 2020, are as follows:

December 31,		
2021	\$	21,112
2022		21,112
2023		9,547
		<u>51,771</u>
Amount representing interest		<u>(4,523)</u>
	\$	<u>47,248</u>
Current portion of capital lease	\$	18,251
Noncurrent portion of capital lease		28,997
	\$	<u>47,248</u>

NOTE 7 – Investments

Investments consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and money market funds	\$ 9,227	\$ 10,462
Equities	196,347	191,508
Mutual funds	-	29,984
Fixed income	122,965	81,724
Total	<u>\$ 328,539</u>	<u>\$ 313,678</u>

Investment income for the years ended December 31, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 10,320	\$ 9,104
Realized gains (losses)	(2,583)	4,724
Unrealized gains (losses)	(845)	48,290
Investment fees	-	(3,746)
Total investment income (loss)	<u>\$ 6,892</u>	<u>\$ 58,372</u>

Investment Risks – Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values in the near term could materially affect the amounts reported in the accompanying financial statements.

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 8 – Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires the Organization to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement. As of December 31, 2020 and 2019, all investments were classified as Level 1. During the years ended December 31, 2020 and 2019, there were no transfers between levels.

NOTE 9 – Retirement Plan

A 401k plan is available to all eligible employees. Under the plan, the Organization contributes 2% of each eligible employee's compensation to the plan. Employees may elect to contribute any amount up to the maximum amount allowed by law. The expense incurred by the Organization for the years ended December 31, 2020 and 2019, was \$8,784 and \$7,590, respectively.

NOTE 10 – Restrictions on Net Assets

Donor restricted – As of December 31, 2020 and 2019, donor restricted net assets were restricted as follows:

Program	2020	2019
Rain Gardens to the Rescue	\$ 266,318	\$ 112,251
Gateway Trail	325,625	-
B-Wet Grant	80,000	32,000
General Operating	40,000	80,000
Water School	-	9,616
Water Trail	64,124	67,284
Other programs and projects	63,594	-
	<u>\$ 839,661</u>	<u>\$ 301,151</u>

Donor restricted net assets released during the years ended December 31, 2020 and 2019, were as follows:

Program	2020	2019
Rain Gardens to the Rescue	\$ 120,933	\$ 97,749
General Fund	40,000	69,000
B Wet Grant	32,000	43,000
Water Trail	69,761	19,600
Other programs and projects	35,051	49,000
	<u>\$ 297,745</u>	<u>\$ 278,349</u>

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 10 – Restrictions on Net Assets (continued)

Board designated – In July 2017, the Board of Directors elected to designate a portion of the Organization's net assets without donor restrictions into an endowment fund held with the Community Foundation of Southeast Michigan (Foundation). The Foundation has been granted variance power by the Organization. Endowment funds changed during the years ended December 31, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Endowment fund net assets at beginning of year	\$ 105,946	\$ 93,809
Unrealized gain (loss)	12,819	17,179
Investment fees	(508)	(504)
Amount appropriated for expenditure	<u>(4,571)</u>	<u>(4,538)</u>
Endowment fund net assets at end of year	<u>\$ 113,686</u>	<u>\$ 105,946</u>

Investment policy – The Investment Committee of the Organization is authorized to invest the Organization's funds with the following goals:

1. Safety and preservation of capital
2. Moderate growth
3. Availability of funds as needed for day-to-day operations and major purchases.

With respect to endowment funds, investments with stated maturities will have laddered maturities to minimize interest rate risk. Earnings will be reinvested or withdrawn in accordance with the Board of Directors' endowment fund guidelines.

Spending policy – The Organization has designated the earnings from the endowment funds as unrestricted earnings to be spent for general operations, program services, or fundraising efforts.

NOTE 11 – Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end	\$ 1,661,828	\$ 694,251
Less those unavailable for general expenditure within one year		
Restricted by donors with time or purpose restrictions	(839,661)	(301,151)
Board designated quasi-endowment	<u>(113,686)</u>	<u>(105,946)</u>
Financial assets at year-end for general use within one year	<u>\$ 708,481</u>	<u>\$ 287,154</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically equities and mutual funds.

NOTE 12 – Comparative Statements

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Friends of the Rouge
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 13 – PPP Loan

On April 6, 2020, the Organization was granted a loan (the Loan) from Chase Bank in the aggregate amount of \$100,535, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 6, 2020, matures on April 6, 2022, and bears interest at a rate of 1% per annum. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, rent, utilities, and interest on debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Organization was granted forgiveness on December 1, 2020, and therefore there is no balance owed at December 31, 2020.

NOTE 14 – COVID-19

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. The future effects of these issues are unknown.