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COMPANIES

EL HOGAR MINISTRIES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Engineering Growth for More Than 30 Years

Business Consulting | Financial Advisory | Strategic Intelligence

To the Board of Directors
El Hogar Ministries, Inc.
Woburn, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of El Hogar Ministries, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 El Hogar Ministries, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
May 23, 2021

December 31		2020		2019
Assets				
Current Assets:				
Cash	$	672,714	$	525,864
Contributions Receivable		116,711		123,737
Prepaid Expenses		4,054		1,058
Total Current Assets		793,479		650,659
Investments		61,500		54,470
Intangible Assets, Net of Accumulated Amortization		23,432		-
Security Deposits		2,900		2,900
Total Assets	$	881,311	$	708,029
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	$	5,000	$	-
Accrued Expenses		7,444		7,673
Total Current Liabilities		12,444		7,673
Long-Term Debt - Paycheck Protection Program		46,247		-
Total Liabilities		58,691		7,673
Net Assets:				
Net Assets without Donor Restrictions		227,233		51,179
Net Assets with Donor Restrictions		595,387		649,177
Total Net Assets		822,620		700,356
Total Liabilities and Net Assets	$	881,311	$	708,029

The accompanying notes are an integral part of these financial statements.

For the Years Ended December 31			**2020**			2019
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	**$ 1,389,470**	**$ 174,277**	**$ 1,563,747**	$ 1,028,462	$ 170,727	$ 1,199,189
Net Assets Released from Restriction	**235,046**	**(235,046)**	**-**	244,032	(244,032)	-
Total Revenue and Other Support	**1,624,516**	**(60,769)**	**1,563,747**	1,272,494	(73,305)	1,199,189
Operating Expenses:						
Program Services	**1,085,466**	**-**	**1,085,466**	1,155,173	-	1,155,173
General and Administrative	**119,102**	**-**	**119,102**	90,193	-	90,193
Fundraising	**245,454**	**-**	**245,454**	310,460	-	310,460
Total Operating Expenses	**1,450,022**	**-**	**1,450,022**	1,555,826	-	1,555,826
Increase (Decrease) in Net Assets from Operations	**174,494**	**(60,769)**	**113,725**	(283,332)	(73,305)	(356,637)
Nonoperating Activities:						
Investment Income, Net	**1,560**	**6,979**	**8,539**	1,392	4,018	5,410
Increase (Decrease) in Net Assets	**176,054**	**(53,790)**	**122,264**	(281,940)	(69,287)	(351,227)
Net Assets, Beginning of Year	**51,179**	**649,177**	**700,356**	333,119	718,464	1,051,583
Net Assets, End of Year	**$ 227,233**	**$ 595,387**	**$ 822,620**	$ 51,179	$ 649,177	$ 700,356

For the Years Ended December 31			**2020**					2019
	Program Services	**General and Administrative**	**Fundraising**	**Total**	Program Services	General and Administrative	Fundraising	Total
El Hogar Projects	**$ 1,062,969**	**$ -**	**$ -**	**$ 1,062,969**	$ 1,133,316	$ -	$ -	$ 1,133,316
Salaries	**19,865**	**27,700**	**145,832**	**193,397**	19,200	24,521	182,878	226,599
Professional Fees	**-**	**76,899**	**24,508**	**101,407**	-	15,254	1,620	16,874
Payroll Taxes and Employee Benefits	**2,400**	**5,961**	**25,568**	**33,929**	2,657	8,501	37,307	48,465
Occupancy	**-**	**3,342**	**10,027**	**13,369**	-	4,925	14,775	19,700
Printing	**-**	**-**	**10,707**	**10,707**	-	-	13,286	13,286
Other	**-**	**485**	**7,137**	**7,622**	-	31,697	1,772	33,469
Transportation and Travel	**-**	**-**	**7,494**	**7,494**	-	-	34,944	34,944
Office Expense	**-**	**1,304**	**3,912**	**5,216**	-	3,687	6,594	10,281
Postage	**-**	**-**	**4,112**	**4,112**	-	-	6,040	6,040
Service Fees	**232**	**1,933**	**1,722**	**3,887**	-	257	7,189	7,446
Telephone and Internet	**-**	**776**	**2,328**	**3,104**	-	1,063	3,190	4,253
Insurance	**-**	**702**	**2,107**	**2,809**	-	288	865	1,153
	$ 1,085,466	**$ 119,102**	**$ 245,454**	**$ 1,450,022**	$ 1,155,173	$ 90,193	$ 310,460	$ 1,555,826

The accompanying notes are an integral part of these financial statements.

For the Years Ended December 31		**2020**		2019
Cash Flows from Operating Activities:				
Increase (Decrease) in Net Assets	**$**	**122,264**	$	(351,227)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:				
Amortization		**1,568**		-
Net Realized and Unrealized Gain on Investments		**(5,988)**		(489)
Decrease (Increase) in Contributions Receivable		**7,026**		(98,507)
Increase in Prepaid Expenses		**(2,996)**		(1,058)
Increase in Accounts Payable		**5,000**		-
(Decrease) Increase in Accrued Expenses		**(229)**		6,173
Net Cash Provided by (Used in) Operating Activities		**126,645**		(445,108)
Cash Flows from Investing Activities:				
Purchase of Intangible Assets		**(25,000)**		-
Purchases of Investments		**(1,042)**		(4,181)
Net Cash Used in Investing Activities		**(26,042)**		(4,181)
Net Cash Provided by Financing Activities:				
Borrowings under Long-Term Debt – Paycheck Protection Program		**46,247**		-
Net Increase (Decrease) in Cash		**146,850**		(449,289)
Cash, Beginning of Year		**525,864**		975,153
Cash, End of Year	**$**	**672,714**	$	525,864

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: El Hogar Ministries, Inc. (the Organization) is a nonprofit organization incorporated on August 2, 2001. The Organization's mission is to support Los Proyectos De El Hogar (the Project), a ministry of the Episcopal Diocese of Honduras that provides food, clothing, a safe and nurturing home and a quality education to poor and disadvantaged children in Honduras. The Organization provides support by fundraising throughout the United States for the Project and educating churches and individuals on the conditions encountered by impoverished children in Honduras.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

> *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.
>
> *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services, administration and fundraising activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Revenue Recognition: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from contributions.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

1. Organization and Summary of Significant Accounting Policies (Continued):

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Interpretation of Relevant Law: The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization's Board of Trustees has interpreted UPMIFA as considering the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) appreciation (depreciation) in the fair value of endowment investments. Therefore, unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

1. Organization and Summary of Significant Accounting Policies (Continued):

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Duration and preservation of the fund
- Purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Organization
- Investment policies of the Organization

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, investments and contributions receivable. The Organization maintains its cash and investments with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash and investments. Contributions receivable are carried at the outstanding principal balance, less an estimate for allowance for uncollectible receivables based upon management’s judgment of potential defaults. Management determines the allowance for doubtful accounts by identifying troubled receivables balances and by using an assessment of the donor’s credit worthiness. As of December 31, 2020 and 2019, management has determined all receivables are collectible and an allowance for doubtful accounts is not necessary.

Other Risks and Uncertainties: 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 of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Definite-Lived Intangible Assets: Intangible assets consist of a website. The Organization accounts for amortization using the straight-line method over the related asset's estimated useful life of three years.

Impairment of Long-Lived Assets: It is required that long-lived assets be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2020, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program activities are charged directly to program services while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and Effort
Payroll Taxes and Employee Benefits	Time and Effort
Occupancy	Time and Effort
Office Expense	Time and Effort
Telephone and Internet	Time and Effort
Insurance	Time and Effort

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2020 and 2019, management believes that the Organization has not generated any unrelated business taxable income.

1. Organization and Summary of Significant Accounting Policies (Continued):

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of December 31, 2020 and 2019. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2020 through May 23, 2021, the latter representing the issuance date of these financial statements.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year of December 31, 2020 and 2019 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2020	2019
Cash	$ 672,714	$ 525,864
Investments	61,500	54,470
Contributions Receivable	116,711	123,737
Total Financial Assets at End of Year	850,925	704,071
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	595,387	649,177
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 255,538	$ 54,894

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the Organization invests cash in excess of daily requirements in long-term investments.

3. Investments:

Investments as of December 31, 2020 and 2019 consist of money market funds in the amounts of $61,500 and $54,470, respectively. For the years ended December 31, 2020 and 2019, net investment income consisted of interest and dividends in the amounts of $2,551 and $4,921 and net realized and unrealized gains in the amounts of $5,988 and $489, each respectively.

4. Endowment:

As of December 31, 2020 and 2019, the endowment balance, by net asset classification, consists of the following:

2020		
Without Donor Restrictions	With Donor Restrictions	Total
$ -	$ 60,797	$ 60,797

2019		
Without Donor Restrictions	With Donor Restrictions	Total
$ -	$ 53,818	$ 53,818

The changes in the endowment balance by net asset classification as of December 31, 2020 and 2019 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment Balance, December 31, 2018	$ -	$ 49,800	$ 49,800
Investment Returns:			
Net Investment Income	-	4,018	4,018
Endowment Balance, December 31, 2019	-	53,818	53,818
Investment Returns:			
Net Investment Income	-	6,979	6,979
Endowment Balance, December 31, 2020	$ -	$ 60,797	$ 60,797

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

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 targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints. Currently, the Organization generally expends the endowment fund's investment income for the donor-designated purpose in the fiscal quarter following receipt.

5. Fair Value Measurements:

Investments measured at fair value on a recurring basis as of December 31, 2020 and 2019 are as follows:

	Fair Value Measurements at December 31, 2020			
	Totals	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	$ 61,500	$ 61,500	$ -	$ -

	Fair Value Measurements at December 31, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	$ 54,470	$ 54,470	$ -	$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended December 31, 2020 and 2019.

Money Market Funds: Valued at the daily closing price as reported by the fund from an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. Definite-Lived Intangible Assets:

As of December 31, 2020, definite-lived intangible assets consist of the following:

	2020	
	Cost	Accumulated Amortization
Website	$ 25,000	$ 1,568

As of December 31, 2019, the Organization did not possess any definite-lived intangible assets.

Amortization expense for the year ended December 31, 2020 amounted to $1,568. For the year ended December 31, 2019, the Organization did not have any amortization expense.

Future amortization expense related to definite-lived intangible assets as of December 31, 2020 is as follows:

Year Ending December 31,	
2021	$ 8,333
2022	8,333
2023	6,766
	$ 23,432

7. Long-Term Debt - Paycheck Protection Program:

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On April 21, 2020, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (PPP Loan) in the amount of $46,247. The PPP Loan bears fixed interest at 1.00% per annum, which begins accruing from the date of the loan, and matures on April 21, 2022. The PPP Loan is unsecured and guaranteed by the SBA. The PPP Loan is eligible to be forgiven provided the Organization satisfies certain conditions and upon approval by the lender and the SBA. The PPP Loan provides for the deferral of payments until the SBA has determined the forgiveness amount, at which time, any remaining PPP Loan amount requires equal monthly payments of principal plus accrued interest in an amount sufficient to repay the remaining PPP Loan balance by the maturity date. As of December 31, 2020, the Organization submitted the application for forgiveness, but has not yet received notification of forgiveness from the SBA. As of December 31, 2020, the outstanding balance of the PPP Loan amounted to $46,247, which is classified as a long-term liability and is included in long-term debt - paycheck protection program in the accompanying statements of financial position.

8. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2020 and 2019 consist of the following:

	2020	2019
Subject to Expenditure for Specified Purpose:		
Strategic Planning	$ 340,409	$ 408,991
St. Andrews Episcopal Church	63,000	43,000
Building Fund	47,959	-
Sharing Smiles Dental Fund	25,627	29,337
Doctor/Ongoing Medical Fund	18,344	30,547
Children's Gift Fund	13,366	12,916
Graduate Transition Fund	9,489	8,951
Development Fund	6,418	-
Future Use Contribution Fund	4,500	57,756
Kyle Memorial Fund	2,361	2,361
Capacity Fund	1,392	1,500
Activities Fund	1,250	-
Teachers' & Staff Salaries	475	-
Total Purpose Restrictions	534,590	595,359
Subject to Spending Policy and Appropriation Guidelines	60,797	53,818
Total Net Assets with Donor Restrictions	$ 595,387	$ 649,177

9. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2020 and 2019 consist of the following:

	2020	2019
Strategic Planning	$ 108,582	$ 158,609
Doctor/Ongoing Medical Fund	30,392	13,739
Building Fund	27,541	-
Goddard Marketing Fund	25,000	-
Sharing Smiles Dental Fund	15,622	11,889
Future Use Contribution Fund	7,756	-
Development Fund	7,268	-
Graduate Transition Fund	6,462	-
Miscellaneous Restricted Funds	6,423	100
Unconditional Promises to Give with Payments	-	3,730
Bus Purchase	-	52,670
Teacher and Staff Salaries	-	2,445
Activities Fund	-	850
	$ 235,046	$ 244,032

10. Operating Leases:

The Organization is party to a noncancelable operating lease for office space, which expires on August 30, 2023. The lease agreement required monthly rental payments of $1,484 through August 31, 2020. Effective February 1, 2020, the lease was amended and requires rental payments of $675 through August 30, 2023.

During the years ended December 31, 2020 and 2019, rent expense incurred under these agreements amounted to $13,370 and $19,700, respectively.

Future minimum lease payments due under this noncancelable lease agreement as of December 31, 2020 are as follows:

Year Ending December 31,		
2021	$	8,091
2022		8,091
2023		5,394
	$	21,576

11. Retirement Plan:

The Organization sponsors a 403(b) plan covering substantially all of its employees who meet certain eligibility requirements. The Organization makes contributions to the plan of up to 5% of each employee's compensation, plus a matching contribution of up to 4%. During the years ended December 31, 2020 and 2019, the Organization made contributions to the plan of approximately $9,843 and $12,194, respectively.

12. Risks and Uncertainties:

On January 30, 2020, the World Health Organization (WHO) announced an international public health emergency related to the COVID-19 outbreak. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The impact of the COVID-19 outbreak has resulted in economic uncertainties. The extent to which the Organization's financial results will be affected cannot be reasonably estimated at this time.

13. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2020 and 2019, no amounts have been accrued related to such indemnification provisions.

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