

Hart Felt Ministries, Inc.

(a non-profit organization)

Jacksonville, Florida

Financial Statements

December 31, 2021 and 2020

Hart Felt Ministries, Inc.
(a non-profit organization)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hart Felt Ministries, Inc.
Jacksonville, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Hart Felt Ministries, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, statements of functional expenses and statements of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hart Felt Ministries, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hart Felt Ministries, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

The financial statements of Hart Felt Ministries, Inc. for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on June 4, 2021.

Responsibility of Management 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 of financial statements that are free of material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hart Felt Ministries, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hart Felt Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hart Felt Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Rabta & Company P.A

July 15, 2022

Hart Felt Ministries, Inc.
(a non-profit organization)
Statements of Financial Position
December 31, 2021 and 2020

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents	\$ 567,333	\$ 432,423
Investments	338,528	-
	<u>905,861</u>	<u>432,423</u>
Total Current Assets		
Noncurrent assets		
Property and equipment, net	88,404	35,216
	<u>88,404</u>	<u>35,216</u>
Total Assets	<u>\$ 994,265</u>	<u>\$ 467,639</u>

LIABILITIES AND NET ASSETS

Liabilities		
PPP Loan - Refundable Advance	\$ -	\$ 27,697
	<u>-</u>	<u>27,697</u>
Total Liabilities		
Net Assets		
Without donor restrictions	985,827	436,785
With donor restrictions	8,438	3,157
	<u>994,265</u>	<u>439,942</u>
Total net assets		
Total Liabilities and Net Assets	<u>\$ 994,265</u>	<u>\$ 467,639</u>

See auditor's report and accompanying notes to the financial statements.

Hart Felt Ministries, Inc.
(a non-profit organization)
Statements of Activities and Changes in Net Assets
For the year ended December 31, 2021

	Without Donor Restricted	With Donor Restricted	Total
Public support:			
Churches	\$ 7,625	\$ 5,000	\$ 12,625
Individuals	158,605	-	158,605
Organizations	87,364	13,000	100,364
Non Cash donations	514,285	-	514,285
Net assets released for restrictions	12,719	(12,719)	-
Total public support	<u>780,598</u>	<u>5,281</u>	<u>785,879</u>
Other revenues:			
Fundraiser	96,533	-	96,533
Total other revenue	<u>96,533</u>	<u>-</u>	<u>96,533</u>
Total revenues	<u>877,131</u>	<u>5,281</u>	<u>882,412</u>
Expenditures:			
Program services	365,933	-	365,933
Management and general	8,312	-	8,312
Fundraising	20,125	-	20,125
Total expenditures	<u>394,370</u>	<u>-</u>	<u>394,370</u>
Increase (decrease) in net assets before other changes	482,761	5,281	488,042
Other changes in net assets:			
Net realized/unrealized gain on investments	36,848	-	36,848
Forgiveness of PPP loan	27,697	-	27,697
Interest and dividend income	1,736	-	1,736
Change in Net Assets	<u>549,042</u>	<u>5,281</u>	<u>554,323</u>
Net Assets, beginning of year	<u>436,785</u>	<u>3,157</u>	<u>439,942</u>
Net Assets, end of year	<u><u>\$ 985,827</u></u>	<u><u>\$ 8,438</u></u>	<u><u>\$ 994,265</u></u>

See auditor's report and accompanying notes to the financial statements.

Hart Felt Ministries, Inc.
(a non-profit organization)
Statements of Activities and Changes in Net Assets
For the year ended December 31, 2020

	Without Donor Restricted	With Donor Restricted	Total
Public support:			
Churches	\$ 16,965	\$ 5,000	\$ 21,965
Individuals	105,226	-	105,226
Organizations	76,841	37,000	113,841
Non Cash donations	11,792	-	11,792
Net assets released for restrictions	44,717	(44,717)	-
Total public support	<u>255,541</u>	<u>(2,717)</u>	<u>252,824</u>
Other revenues:			
Fundraisers	113,646	-	113,646
Total other revenue	<u>113,646</u>	<u>-</u>	<u>113,646</u>
Total revenues	<u>369,187</u>	<u>(2,717)</u>	<u>366,470</u>
Expenditures:			
Program services	313,678	-	313,678
Management and general	6,828	-	6,828
Fundraising	1,100	-	1,100
Total expenditures	<u>321,606</u>	<u>-</u>	<u>321,606</u>
Increase (decrease) in net assets before other changes	47,581	(2,717)	44,864
Other changes in net assets:			
Interest and dividend income	2,776	-	2,776
Change in Net Assets	<u>50,357</u>	<u>(2,717)</u>	<u>47,640</u>
Net Assets, beginning of year	<u>386,428</u>	<u>5,874</u>	<u>392,302</u>
Net Assets, end of year	<u>\$ 436,785</u>	<u>\$ 3,157</u>	<u>\$ 439,942</u>

See auditor's report and accompanying notes to the financial statements.

Hart Felt Ministries, Inc.
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Statement of Functional Expenses
For the year ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 163,106	\$ 5,811	\$ -	\$ 168,917
Payroll taxes	12,477	445	-	12,922
	<u>175,583</u>	<u>6,256</u>	<u>-</u>	<u>181,839</u>
Benefits paid for members	132,605	-	-	132,605
Fundraisers	-	-	20,125	20,125
Occupancy	13,905	495	-	14,400
Insurance	9,296	331	-	9,627
Travel expenses	4,870	173	-	5,043
Advertising	4,683	167	-	4,850
Professional services and fees	3,182	113	-	3,295
Supplies	2,614	93	-	2,707
Postage	2,068	74	-	2,142
Printing	227	8	-	235
Other expenses	4,959	177	-	5,136
	<u>353,992</u>	<u>7,887</u>	<u>20,125</u>	<u>382,004</u>
Depreciation	11,941	425	-	12,366
	<u>\$ 365,933</u>	<u>\$ 8,312</u>	<u>\$ 20,125</u>	<u>\$ 394,370</u>

See auditor's report and accompanying notes to the financial statements.

Hart Felt Ministries, Inc.
(a non-profit organization)
Statement of Functional Expenses
For the year ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 140,352	\$ 5,000	\$ -	\$ 145,352
Payroll taxes	10,737	382	-	11,119
	<u>151,089</u>	<u>5,382</u>	<u>-</u>	<u>156,471</u>
Benefits paid for members	122,031	-	-	122,031
Fundraisers	-	-	1,100	1,100
Occupancy	8,454	301	-	8,755
Insurance	8,563	305	-	8,868
Travel expenses	4,493	160	-	4,653
Advertising	4,454	159	-	4,613
Professional services and fees	1,761	63	-	1,824
Supplies	1,054	38	-	1,092
Postage	1,770	63	-	1,833
Printing	1,142	41	-	1,183
Other expenses	4,479	160	-	4,639
	<u>309,290</u>	<u>6,672</u>	<u>1,100</u>	<u>317,062</u>
Depreciation	4,388	156	-	4,544
	<u>\$ 313,678</u>	<u>\$ 6,828</u>	<u>\$ 1,100</u>	<u>\$ 321,606</u>

See auditor's report and accompanying notes to the financial statements.

Hart Felt Ministries, Inc.
(a non-profit organization)
Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 554,323	\$ 47,640
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	12,366	4,544
Forgiveness of PPP loan	(27,697)	-
Net realized and unrealized investment gains	(36,848)	-
Net cash provided (used) by operating activities	<u>502,144</u>	<u>52,184</u>
Cash flows from investing activities		
Purchase of property and equipment	(65,554)	-
Proceeds from sale of securities	639,520	-
Investments received in-kind	(504,189)	-
Purchase of investments	(437,011)	-
Net cash used by investing activities	<u>(367,234)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from PPP loan	-	27,697
Net cash provided by financing activities	<u>-</u>	<u>27,697</u>
Increase (decrease) in cash and cash equivalents	134,910	79,881
Cash at beginning of year	<u>432,423</u>	<u>352,542</u>
Cash at end of year	<u>\$ 567,333</u>	<u>\$ 432,423</u>
<u>Supplemental disclosers:</u>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

See auditor's report and accompanying notes to the financial statements.

Hart Felt Ministries, Inc.
(a non-profit organization)
Notes to the Financial Statements
December 31, 2021 and 2020

1. Organization

Hart Felt Ministries, Inc. (the “Organization”) was founded in 2003 as a nonprofit corporation for the purpose of providing practical services to frail senior citizens at no charge. These services include transportation, visits, respite care, grocery shopping, homemaker chores, home repairs, and construction of wheelchair ramps, yard work, and advocacy for needs that exceed the ministry’s scope of service. The Organization’s mission is to honor God by enriching the lives of seniors and enabling them to age in place with dignity and grace. The Organization is governed by a Board of Directors consisting of volunteers from the community.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below.

The costs related to the administration of the Organization's programs are summarized in the statement of activities. Personnel and operating expenses that are associated with a specific program are charged directly to that program. Personnel and operating expenses that benefit more than one program are allocated to the various programs, management and general and fundraising based on the relative benefit provided.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. The Organization adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization’s liquidity, financial performance, and cash flows.

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 amount 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.

Revenue and Recognition

Revenue from Exchange Transactions: The Organization recognized revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Public support and revenue – The Organization recognizes revenue from public support and grants based upon the terms of the grantor allotment that generally provides that revenues are earned when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered.

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Special fundraising event revenue - The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event – the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the fundraiser events, which ultimately benefit the donor rather than the Organization, are recorded as costs in the statement of functional expenses. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Organization. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligations. Accordingly, the Organization separately presents in its statements of activities and changes in net assets or notes to financial statements the exchange and contribution components of the gross proceeds from fundraiser events. Fundraiser event fees collected by the Organization in advance of its delivery are initially recognized as deferred revenue and recognized as fundraiser revenue after delivery of the event. For fundraiser event fees received before year-end for an event to occur after year-end, the Organization follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance long with the exchange component.

Contributions

Hart Felt Ministries, Inc. reports contributions as with donor restriction or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the 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.

Donated Materials, Long-lived Assets, Facilities & Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. Long-lived assets or the use facilities are recorded as contributions in the period received at fair value. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

Hart Felt Ministries, Inc.
(a non-profit organization)
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Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in several financial institution accounts, which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions. As of December 31, 2021, the uninsured portion of the balances was \$118,475.

Statements of Cash Flows

For the purpose of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments consist primarily of assets invested in exchange trade funds and mutual funds. The Organization accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statement of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the Statement of Changes in Net Assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Contributed property and equipment is recorded at the estimated fair value on the date the gift was acquired. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. Gains and losses on the disposition of fixed assets are recorded as income or loss at the difference between the gross proceeds received and remaining net book value.

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed following generally accepted accounting principles.

Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income taxes. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Organization is no longer subject to U.S. federal income tax examinations by the tax authorities for the years before December 31, 2018.

Hart Felt Ministries, Inc.
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Allocation of Expenses

The costs of providing comprehensive community services to senior citizens and supporting services have been summarized on the Statement of Activities on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include operating supplies and expenses, telecommunications, repairs and maintenance, printing, postage, professional services, building occupancy, travel, insurance, staff development, salaries and wages, fringe benefits, and payroll taxes. The basis of allocation of these expenses is based on a percentage of actual expense. The financial statements report expenses by function in the Statement of Functional Expenses.

Paycheck Protection Program

During 2020, the Organization received proceeds under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for forgivable loans to qualifying organizations as long as the organization maintains its payroll levels and uses the proceeds for eligible purposes, including payroll, benefits, rent, and utilities, over a covered period. Up to 100% of a loan is forgivable. The forgiveness amount will be reduced if the organization terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization used PPP loan proceeds for purposes consistent with the PPP and was forgiven within 10 months of the end of the covered period (See Note 7).

Statement Reclassifications

Certain balances from the 2020 financial statements have been reclassified to conform with the 2021 financial statement presentation. Such reclassifications had no effect on the previously reported change in net assets for the year ended December 31, 2020.

Recent Accounting Pronouncements

The following accounting pronouncement was recently issued by the FASB:

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee’s right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

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3. Liquidity

The Organization’s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 558,895	\$ 429,266
Investments	<u>338,528</u>	<u>-</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 897,423</u>	<u>\$ 429,266</u>

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

4. Fair Value Measurements

Generally accepted accounting principles clarify that fair value is an exit price, representing the amount that would be received to sell an asset in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below.

Level 1

Valuations for assets traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2

Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or comparable assets, which use observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The types of instruments valued based on quoted market prices in active markets include most U.S. government and agency securities, liquid mortgage products, active listed equities and most money market securities. Such instruments are generally classified within Level 1 or Level 2 of the fair

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value hierarchy. As required by this guidance, the Organization does not adjust the quoted price for such instruments.

The types of instruments valued based on quoted prices in markets that are not active, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency include most investment-grade and high-yield corporate bonds, less liquid mortgage products, less liquid equities, state, municipal and provincial obligations, and certain physical commodities. Such instruments are generally classified within Level 2 of the fair value hierarchy.

The following tables set forth the Organization's assets that were accounted for or disclosed at fair value on a recurring basis as of December 31, 2021.

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<u>December 31, 2021</u>				
Exchange trade funds	\$ 329,046	\$ 329,046	\$ -	\$ -
Mutual funds	9,482	9,482	-	-
	<u>\$ 338,528</u>	<u>\$ 338,528</u>	<u>\$ -</u>	<u>\$ -</u>

5. Investments

Fair values of investments are measured on a recurring basis with quoted prices in active markets. The Organization's investments consist of fixed income securities.

Investments at December 31, 2021 are summarized as follows:

	<u>Cost</u>	Market <u>Value</u>	Unrealized <u>Gain/(loss)</u>
Exchange trade funds	\$ 329,333	\$ 329,046	\$ (287)
Mutual funds	9,598	9,482	(116)
	<u>\$ 338,931</u>	<u>\$ 338,528</u>	<u>\$ (403)</u>

During 2021 and 2020, sales proceeds and gross realized gains and losses on securities classified as available-for-sale were as follows:

	<u>2021</u>	<u>2020</u>
Sales proceeds	<u>\$ 639,520</u>	<u>\$ -</u>
Gross realized gain	<u>\$ 36,338</u>	<u>\$ -</u>

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6. Property and Equipment

Major classes of property and equipment and their estimated useful lives at December 31, 2021 and 2020, are summarized as follows:

	Estimated Useful Life in Years	<u>2021</u>	<u>2020</u>
Vehicles	5	\$ 110,994	\$ 45,440
Accumulated depreciation and amortization		<u>(22,590)</u>	<u>(10,224)</u>
Net property and equipment		<u>\$ 88,404</u>	<u>\$ 35,216</u>

Depreciation expense for the years ending December 31, 2021 and 2020 was \$12,366 and \$4,544, respectively.

7. Long-term Debt

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Note payable under the SBA Payroll Protection Program, interest at 1.00%, interest accrued for first six months, payable in monthly installments of principal and interest in two years. Payments may be deferred up to one year. Loan principal and accrued interest can be fully forgiven depending on use of funds as determined by the SBA. The loan was fully forgiven in the current year.	<u>\$ -</u>	<u>\$ 27,697</u>
	-	27,697
Current portion	-	(27,697)
	<u>\$ -</u>	<u>\$ -</u>

8. Net Assets with Donor Restrictions

Although restricted contributions typically are reported as support that increases net assets with donor restrictions, they may be reported as support without donor restrictions if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed. Net assets with donor restrictions are for the following purposes:

	<u>2021</u>	<u>2020</u>
The Hart Fund	\$ 5,438	\$ 1,157
Safety Program	<u>3,000</u>	<u>2,000</u>
	<u>\$ 8,438</u>	<u>\$ 3,157</u>

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9. Net Assets Released from Restrictions

Net assets were released from donor restrictions during 2021 and 2020 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets released were donated by the following:

	<u>2021</u>	<u>2020</u>
The Hart Fund	\$ 10,719	\$ 41,717
Safety Program	<u>2,000</u>	<u>3,000</u>
	<u>\$ 12,719</u>	<u>\$ 44,717</u>

10. Effect of Current Economic Conditions due to COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is dependent on its workforce to deliver its services. Developments in response to COVID-19, such as social distancing and shelter-in-place directives may impact the Organization's ability to deploy its workforce effectively. These same developments may affect the operations and timing of deliverables from the Organization's suppliers, as their own workforces and operations are disrupted by efforts to curtail the spread of this virus. Further, the Organization's customers may either delay or cancel existing or future services based on these same developments. The Organization is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.