MISSION OF DEEDS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2019

MISSION OF DEEDS, INC.

Financial Statements

December 31, 2019 and 2018

C O N T E N T S

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mission of Deeds, Inc.
Reading, Massachusetts

We have audited the accompanying financial statements of Mission of Deeds, Inc. (a not-for-profit organization) ("the Organization"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and change 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 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 from 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.

25 Braintree Hill Office Park ● Suite 102 ● Braintree, MA 02184 ● P:617.471.1120 ● F:617.472.7560
27 Church Street ● Winchester, MA 01890 ● P:781.729.4949 ● F:781.729.5247
www.ocd.com

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019, and 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.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Codification (ASC) Topic 958, Not for Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

O'Connor + Drew, P.C.

Certified Public Accountants
Braintree, Massachusetts

July 28, 2020

MISSION OF DEEDS, INC.

Statements of Financial Position

December 31,

Assets

	2019	2018
Current Assets:		
Cash and equivalents	**$ 249,102**	$ 293,707
Investments	**875,151**	736,203
Unconditional promises to give	**10,000**	10,000
Total Current Assets	**1,134,253**	1,039,910
Property and Equipment, net	**196,227**	235,126
Other Asset:		
Unconditional promises to give, net of current portion	**17,173**	26,652
Total Assets	**$ 1,347,653**	$ 1,301,688

Liabilities and Net Assets

	2019	2018
Current Liabilities:		
Accounts payable	**$ 3,788**	$ 2,054
Accrued expenses	**6,128**	6,128
Total Current Liabilities	**9,916**	8,182
Net Assets:		
Without donor restrictions	**1,128,544**	1,098,012
With donor restrictions	**209,193**	195,494
Total Net Assets	**1,337,737**	1,293,506
Total Liabilities and Net Assets	**$ 1,347,653**	$ 1,301,688

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

MISSION OF DEEDS, INC.

Statements of Activities and Change in Net Assets

For the Year Ended December 31, 2019
(with comparative totals for 2018)

	2019			2018
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Total
Revenues:				
Contributions	**$ 370,422**	**$ -**	**$ 370,422**	$ 291,087
Grants	**198,256**	**25,000**	**223,256**	336,566
Fundraising events	**185,869**	**-**	**185,869**	186,797
Donated goods	**456,879**	**-**	**456,879**	451,636
Investment return	**40,206**	**-**	**40,206**	5,540
Net assets released from restriction	**11,301**	**(11,301)**	**-**	-
Total Support and Revenues	**1,262,933**	**13,699**	**1,276,632**	1,271,626
Expenses:				
Program services	**1,032,751**	**-**	**1,032,751**	1,050,220
Management services	**95,579**	**-**	**95,579**	94,296
Fundraising	**104,071**	**-**	**104,071**	84,709
Total Expenses	**1,232,401**	**-**	**1,232,401**	1,229,225
Change in Net Assets	**30,532**	**13,699**	**44,231**	42,401
Net Assets, Beginning of Year	**1,098,012**	**195,494**	**1,293,506**	1,251,105
Net Assets, End of Year	**$ 1,128,544**	**$ 209,193**	**$ 1,337,737**	$ 1,293,506

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

MISSION OF DEEDS, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2019
(with comparative totals for 2018)

	2019				2018
	Program Services	Management and General	Fundraising	Total	Total
Expenses:					
Furniture	$ 463,209	$ -	$ -	$ 463,209	$ 459,724
Payroll salaries and wages	193,881	63,867	27,371	285,119	282,787
Bedding costs	160,864	-	-	160,864	184,109
Fundraising costs	-	-	68,695	68,695	50,346
Rent	57,289	6,365	-	63,654	63,654
Depreciation	35,009	3,890	-	38,899	38,899
Payroll taxes	20,841	3,158	7,578	31,577	28,425
Occupancy	19,576	2,175	-	21,751	26,602
Telephone and information technology	13,690	1,521	-	15,211	13,255
Utilities	11,991	1,332	-	13,323	5,419
Volunteer expenses	12,155	-	-	12,155	11,434
Property taxes	9,384	1,043	-	10,427	16,987
Professional fees	-	7,416	-	7,416	6,500
Insurance	5,520	1,840	-	7,360	8,473
Office supplies	4,934	1,645	-	6,579	3,145
Miscellaneous	6,429	-	-	6,429	1,878
Vehicle costs	4,407	-	-	4,407	8,009
Coats program	4,322	-	-	4,322	2,852
Payroll service	3,268	195	427	3,890	3,583
Snow removal	2,415	268	-	2,683	1,103
Education programs	2,523	-	-	2,523	2,795
Advertising	1,044	116	-	1,160	8,123
Dues and subscriptions	-	740	-	740	979
Bank fees	-	8	-	8	144
	$ 1,032,751	$ 95,579	$ 104,071	$ 1,232,401	$ 1,229,225

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

MISSION OF DEEDS, INC.

Statements of Cash Flows

For the Years Ended December 31,

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	**$ 44,231**	$ 42,401
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**38,899**	38,899
Discount on unconditional promises to give	**(521)**	3,348
Unrealized loss (gain) on investments	**(15,723)**	14,210
Changes in assets and liabilities:		
Unconditional promises to give	**10,000**	(40,000)
Accounts payable	**1,734**	(4,386)
Accrued expenses	**-**	2,200
Net Adjustments	**34,389**	14,271
Net Cash Provided by Operating Activities	**78,620**	56,672
Cash Flows from Investing Activity:		
Purchase of investments	**(123,225)**	(18,236)
Net (Decrease) Increase in Cash and Equivalents	**(44,605)**	38,436
Cash and Equivalents, Beginning of Year	**293,707**	255,271
Cash and Equivalents, End of Year	**$ 249,102**	$ 293,707

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

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies**

Nature of Operations
Mission of Deeds, Inc.'s (the "Organization") purpose is to purchase and collect household goods and give them to individuals and families in need. The Organization is located in Reading, a suburb of Boston, and provides services in Middlesex, Essex and part of Suffolk Counties in Massachusetts.

Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Statement Presentation
Assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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 objectives of the Organization.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor or grantor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor or grantor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without restrictions in the statements of activities. Restricted contributions in which the restrictions are met in the same year are reported as without donor restrictions revenue.

Comparative Information
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, 2018, from which the summarized information was derived.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Measure of Operations
The statements of activities reports 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 purpose and the return earned on investments. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature. Fundraising revenue and other exchange-based revenue is recognized as revenue when earned.

Fair Value of Financial Instruments
Promulgations of the Financial Accounting Standards Board ("FASB") have established a framework for measuring fair value, which provides a 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 Quoted market prices in active markets for identical assets or liabilities;

Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data;

Level 3 Unobservable inputs that are not corroborated by market data.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments
Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in value are reported as investment return in the statement of activities.

Purchases and sales of investments are recorded on the trade date. The gain or loss on the sale of investments is determined using average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Contributions
Contributions and grants are recognized as revenue when they are unconditional, usually when qualifying expenditures are incurred and other conditions under the agreement are met. Contributions and grants are conditional if there is barrier that must be overcome before the recipient is entitled to the contribution and the donor has the right to request the funds back if they are not spent properly.

Unconditional contributions and grants 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. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 and grants with donor-imposed stipulations regarding how long the 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 receivable
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 the 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. As of December 31, 2019 and 2018, management has concluded an allowance for doubtful accounts is not required.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period.

Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the value of unconditional promises to give, estimating depreciation, and the recoverability of long-lived assets.

Cash and Equivalents
For purposes of the statements of financial position and cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and equivalents.

Financial Instruments
Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and equivalents and investments. The Organization maintains its cash and equivalents in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Investments are maintained at brokerage institutions. Exposure to credit risk is reduced by placing such deposits in high-quality financial institutions and insured brokerage houses. The carrying amounts of certain financial instruments, including cash and equivalents, approximate fair value as of December 31, 2019 because of the relatively short maturity of these instruments. The carrying amounts of investments are reported at market value. Unrealized gains and losses are included in the changes in net assets within the accompanying statement of activities.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Functional Allocation of Expenses
The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with specific program and support services are allocated directly according to the natural expenditure classification. Expenses not directly identified are allocated based upon time and effort and square footage.

Property and Equipment
Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which ranges from 5 to 15 years.

Advertising
The Organization charges the cost to advertising expense as incurred.

In-Kind Contributions
The Organization receives in-kind contributions of new and used furniture, bedding, and household items from the general public. The Organization, in turn, gives these donated goods to underprivileged families through a network of social service agencies. The Organization recognizes in-kind contributions at their estimated fair market value.

The Organization maintains a warehouse of goods received but not yet distributed to individuals. In accordance with generally accepted accounting principles, these items have not been recognized as inventory in these financial statements as they are not held for resale.

In-kind contributions are included as revenue in the accompanying Statement of Activities and offset by similar amounts included as program expenditures. In-kind revenues and expenses totaled $456,879 and $451,636 for the years ended December 31, 2019 and 2018, respectively.

Income Tax Status
Accounting principles generally accepted in the United States require an entity to assess the probability that a tax position has a more likely than not ("MLTN") sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances the statute of limitations may remain open indefinitely.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Income Tax Status - Continued
As a not-for-profit entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, the Organization may, however, be subject to tax on unrelated business income.

Endowment Funds
Massachusetts has enacted a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). In the absence of overriding explicit donor stipulations, UPMIFA prescribes new guidelines for expenditures of donor restricted funds and focuses on the prudent spending of the entire donor-restricted fund, including accumulated earnings, in lieu of the historical dollar concept of UMIFA. UPMIFA's requirement that amounts may be appropriated for expenditure only after careful consideration of the seven factors outlined in its spending guidelines is bolstered by its intent to have the governing board of the organization make its decisions in light of the donor's intended purpose of the endowment fund, stipulated or otherwise.

Under UPMIFA, donor-restricted funds will continue to be classified as net assets with donor restrictions; however, donor-restricted funds not classified as net assets with donor restrictions, such as gains and other amounts permitted to be disbursed in accordance with the donors' stipulations or deemed spent earnings on endowment funds that had not been specifically approved for expenditure, must be classified as net assets with donor restrictions until appropriately approved for expenditure by the Organization.

The Organization’s board classifies donor-restricted funds and earnings thereon in accordance with applicable state law as interpreted by the Attorney General. Accordingly, if the donor agreement does not prohibit the expenditures of appreciation, such gains would be classified as net assets without donor restrictions. Endowment fund assets are appropriated for expenditure in accordance with the directions and/or intent of the donor. The investment policy for endowment funds is intended to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to fund programs supported by endowment funds.

Adoption of New Accounting Standard
FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The purpose of this pronouncement is to provide guidance in determining whether transactions are non-exchange (within the scope of Topic 958) or exchange (within the scope of Topic 606), and determining whether contributions are conditional.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Adoption of New Accounting Standard - Continued
The Organization adopted the provisions of ASU 2018-08 for contributions received on a modified prospective basis as of January 1, 2019. Therefore, it is applied to existing contributions received or entered into on or after January 1, 2019. The adoption of this pronouncement did not have a material effect on these financial statements. The Organization will adopt the provisions on January 1, 2020 for contributions made, and does not expect a significant impact on its financial statements.

FASB issued ASU 2016-18, Restricted Cash (Topic 230). The purpose of this pronouncement is to provide guidance on the classification of restricted cash in the statement of cash flows. The Organization adopted the provisions of ASU 2016-18 on a retrospective basis, and did not necessitate an adjustment to net assets in the prior period.

New Accounting Pronouncements
FASB issued 2014-09 *Revenue from Contracts with Customers* and additional ASUs containing modifications to ASU 2014-09 (collectively referred to as "the new revenue recognition standard"). In May 2020, the Financial Accounting Standards Board voted to extend the implementation date one year (effective for periods beginning after December 15, 2019 for non-public entities.) The purpose of the new revenue recognition standard is to remove inconsistencies and weaknesses in current revenue recognition requirements; to provide a more robust framework for addressing revenue recognition issues and to improve comparability of recognition across entities, industries, jurisdictions and capital markets. It requires the Organization to perform certain specific steps to identify performance obligations and determine transaction prices to establish the appropriate revenue recognition. Management is in the process of evaluating this standard and has not yet determined the impact on the financial statements.

Leases - FASB issued ASU 2016-02 and additional ASUs containing modification to ASU 2016-02. It is effective for periods beginning after December 15, 2021 for non-public companies. Implementation of this standard will require lessees to recognize on their statement of financial position the rights and obligations resulting from leases categorized as operating leases as assets and liabilities. It provides for an election on leases with terms of less than twelve months to be excluded from this standard. Management does not believe that the implementation of this standard will have a material effect on the financial statements.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 1 - **Summary of Significant Accounting Policies - Continued**

Reclassifications
Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

Note 2 - **Unconditional Promises to Give**

Unconditional promises to give are discounted at 5% and consist of the following at December 31, 2019.

	2019	2018
Due in 1 year	**$ 10,000**	$ 10,000
Due in 2-5 years	**20,000**	30,000
Total	**30,000**	40,000
Less: discount to net present value	**2,827**	3,348
Present value of unconditional promises to give	**27,173**	36,652
Less: current unconditional promises to give	**10,000**	10,000
Unconditional Promises to Give, Net of Current Portion	**$ 17,173**	$ 26,652

Note 3 - **Investments**

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value. This framework 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).

Mutual funds are carried at fair value based on quoted prices in active markets (Level 1 measurements) and certificated of deposit are carried at initial investment plus accrued interest based on observable market-based inputs or unobservable inputs that are corroborated by market data (Level 2 measurements).

Note 3 - **Investments - Continued**

Investments consist of the following at December 31:

	2019	2018
Mutual funds	**$ 236,178**	$ 212,095
Certificates of deposit	**638,973**	524,108
	$ 875,151	$ 736,203

Note 4 - **Property and Equipment**

A summary of property and equipment at December 31, is as follows:

	2019	2018
Vehicles	**$ 56,934**	$ 56,934
Office furniture and equipment	**32,454**	32,454
Leasehold improvements	**398,927**	398,927
	488,315	488,315
Less: accumulated depreciation	**292,088**	253,189
	$ 196,227	$ 235,126

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 5 - **Endowment**

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

	2019 Without Donor Restrictions	2019 With Donor Restrictions	Total
Investment net assets, beginning of year	**$ 29,566**	**$ 155,000**	**$ 184,566**
Investment return	**19,872**	**-**	**19,872**
Contributions	**-**	**25,000**	**25,000**
Investment net assets, end of year	**$ 49,438**	**$ 180,000**	**$ 229,438**

	2018 Without Donor Restrictions	2018 With Donor Restrictions	Total
Investment net assets, beginning of year	$ 35,232	$ 155,000	$ 190,232
Investment return	(5,666)	-	(5,666)
Investment net assets, end of year	$ 29,566	$ 155,000	$ 184,566

Note 6 - **Net Assets**

Net Assets Without Restrictions
Net assets without donor restrictions comprise the receipt of funds relating to activities the Organization engages in that are not restricted in nature, and gains on endowed net assets.

Net assets without restrictions consist of the following:

	2019	2018
Building Fund (Board Designated)	**$ 89,956**	$ 88,997
Undesignated	**1,038,588**	1,009,015
	$ 1,128,544	$ 1,098,012

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 6 - **Net Assets - Continued**

Net Assets With Restrictions
Net assets without restrictions consist of the following:

	2019	2018
Coats Program (for Purpose)	**$ 12,020**	$ 13,842
Promises to Give (for Passage of Time)	**17,173**	26,652
Endowment (for Perpetuity)	**180,000**	155,000
	$ 209,193	$ 195,494

Note 7 - **Related Party Transaction**

During 2009, the Organization signed a three-year operating lease for its facilities with a related party requiring monthly payments of $5,000 plus a pro-rata share of operating costs. The lease contains three five-year extensions through June 30, 2027. During 2017, the Organization exercised its second option to extend the lease. Under this option, monthly payments of $5,305 plus a pro-rata share of operating costs are required, which are included in occupancy on the statement of activities.

Rent expense for the years ended December 31, 2019 and 2018 was $63,654.

Future minimum lease payments subsequent to December 31, 2019, are as follows:

Years Ending December 31,	
2020	$ 63,654
2021	63,654
2022	31,827
	$ 159,135

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 8 - **Availability and Liquidity**

	2019	2018
Financial assets at year-end:		
Cash and equivalents	**$ 249,102**	$ 293,707
Investments, short-term	**875,151**	736,203
Unconditional promises to give	**10,000**	10,000
	1,134,253	1,039,910
Less: amounts not available to be used within one year:		
Board designated net assets	**89,956**	88,997
Net assets with donor restrictions	**209,193**	195,494
	299,149	284,491
Financial assets available to meet general expenditures within one year:	**$ 835,104**	$ 755,419

The Organization reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. If funds are needed for expenses, management can liquidate its short-term investments or request that the Board undesignated previously designated assets. For the years ended December 31, 2019 and 2018, management believes that the Organization has no liquidity issues.

Note 9 - **Concentrations, Risks and Uncertainties**

Cash
From time to time, the Organization's cash balances at financial banking institutions exceed the federally insured limit. Management monitors the financial condition of these banking institutions to keep this potential risk to a minimum. All deposits exceeding the federally insured limits were insured by the Share Insurance Fund.

Uncertainties
The Organization is highly dependent on donor contributions and fundraising efforts. Although management believes that it will have sufficient funds to meet its operating expenses for the remainder of the fiscal year between funds already available and promised grants, there is no guarantee that their grants and fundraising activities will continue into future years.

MISSION OF DEEDS, INC.

Notes to the Financial Statements - Continued

December 31, 2019 and 2018

Note 9 - **Concentrations, Risks and Uncertainties**

Subsequent Events

Management has evaluated subsequent events through July 28, 2020 the date for which the financial statements were available for issuance. Management accepted the financial statements and did not identify any events, other than the one described in the following paragraphs, subsequent to December 31, 2019, requiring disclosure in these financial statements.

On March 23, 2020, the Governor of Massachusetts declared a state of emergency and ordered all non-essential business services to temporarily cease due to the COVID-19 outbreak. The Organization's operations are not considered to be essential and the Organization had been closed to the public temporarily. The Organization has opened on a limited basis beginning on June 1, 2020. Management expects that their operations will be affected. However, management cannot reasonably estimate the duration or the financial impact of the crisis. Additionally, management is taking steps, such as reducing expenses and applying for loans offered through the Federal government stimulus program, to mitigate the negative effects on operations.

In April 2020, the Organization was approved by the Small Business Administration for a Payroll Protection Program loan under the CARES Act for approximately $60,000. A significant portion of the loan will be forgiven if the funds are used to pay payroll costs, utilities and rent over a set period from the time funding is obtained. Management anticipates that the proceeds will be spent for eligible expenses.