Build it for the Brave, Inc.
dba Fisher House Michigan

(a nonprofit Michigan corporation)
Ann Arbor, Michigan

Financial Statements

December 31, 2020 and 2019

Fisher House Michigan

Table of Contents

Independent Auditors' Report

To the Board of Directors
Build it for the Brave, Inc. dba Fisher House Michigan
Ann Arbor, Michigan

Opinion

We have audited the accompanying financial statements of Build it for the Brave, Inc. dba Fisher House Michigan (a nonprofit 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.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Fisher House Michigan 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fisher House Michigan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 Fisher House Michigan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

4088 WASHTENAW AVENUE | ANN ARBOR, MI 48108 | P 734.476.3720 | WWW.ALTRUIC.COM
ALTRUIC® and Helping Nonprofits Create Good® are registered trademarks of Altruic Advisors, PLLC
AICPA® PCPS Private Companies Practice Section

Auditors' Responsibilities for the Audit of 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Fisher House Michigan'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 Fisher House Michigan'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Altruic Advisors, CPAs

Certified Public Accountants

Ann Arbor, Michigan
July 26, 2021

Fisher House Michigan

Statements of Financial Position

December 31		**2020**		2019
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**896,998**	$	1,133,762
Investments		**412,858**		107,590
Pledges and grants receivable, current		**64,507**		315,114
Total current assets		**1,374,363**		1,556,466
Other Assets				
Pledges and grants receivable, net of current portion		**58,259**		111,899
Total assets	**$**	**1,432,622**	$	1,668,365
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**5,151**	$	12,201
Grants payable		**-**		1,000,000
Note payable, current		**19,279**		-
Total current liabilities		**24,430**		1,012,201
Long term Liabilities				
Note payable, net of current		**9,541**		-
Total liabilities		**33,971**		1,012,201
Net Assets				
Without donor restrictions		**1,004,594**		229,151
With donor restrictions		**394,057**		427,013
Total net assets		**1,398,651**		656,164
Total liabilities and net assets	**$**	**1,432,622**	$	1,668,365

Fisher House Michigan

Statement of Activities

Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	$ 355,311	$ 638,391	$ 993,702
In-kind contributions	9,116	-	9,116
Net assets released from restrictions			
Expiration of time restrictions	671,347	(671,347)	-
Total operating support	1,035,774	(32,956)	1,002,818
Operating Expenses			
Program services	71,324	-	71,324
Supporting services			
General and administrative	89,801	-	89,801
Fundraising	145,650	-	145,650
Total supporting services	235,451	-	235,451
Total operating expenses	306,775	-	306,775
Total operating support in excess (deficit) of operating expenses	728,999	(32,956)	696,043
Other Changes			
Investment income	43,085	-	43,085
Other interest income	3,359	-	3,359
Total other changes	46,444	-	46,444
Change in Net Assets	775,443	(32,956)	742,487
Net Assets, Beginning of Year	229,151	427,013	656,164
Net Assets, End of Year	$ 1,004,594	$ 394,057	$ 1,398,651

Fisher House Michigan

Statement of Activities

Year ended December 31, 2019

Operating Support and Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	$ 606,079	$ 1,514,489	$ 2,120,568
In-kind contributions	9,506	-	9,506
Net assets released from restrictions			
Expiration of time restrictions	1,369,600	(1,369,600)	-
Total operating support	1,985,185	144,889	2,130,074
Operating Revenue			
Program revenue	30,196	-	30,196
Total operating revenue	30,196	-	30,196
Total operating support and revenue	2,015,381	144,889	2,160,270
Operating Expenses			
Program services	2,051,912	-	2,051,912
Supporting services			
General and administrative	75,455	-	75,455
Fundraising	101,045	-	101,045
Total supporting services	176,500	-	176,500
Total operating expenses	2,228,412	-	2,228,412
Total operating support and revenue in excess (deficit) of operating expenses	(213,031)	144,889	(68,142)
Other Changes			
Interest income	9,361	-	9,361
Change in Net Assets	(203,670)	144,889	(58,781)
Net Assets, Beginning of Period	432,821	282,124	714,945
Net Assets, End of Period	$ 229,151	$ 427,013	$ 656,164

Fisher House Michigan

Statement of Functional Expenses

Year ended December 31, 2020

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries and wages	$ 27,478	$ 61,380	$ 64,592	$ 125,972	$ 153,450
Payroll taxes	2,161	4,932	4,884	9,816	11,977
Total personnel costs	29,639	66,312	69,476	135,788	165,427
Bad debt expense	-	-	53,876	53,876	53,876
Grants and donations awarded	36,537	-	-	-	36,537
Professional fees	-	11,960	-	11,960	11,960
Printing	-	-	11,606	11,606	11,606
Supplies	45	6,885	1,528	8,413	8,458
Meals	4,931	-	144	144	5,075
Postage	-	-	3,983	3,983	3,983
Insurance	-	3,770	-	3,770	3,770
Advertising and publicity	22	-	2,335	2,335	2,357
Travel	150	-	2,072	2,072	2,222
Bank and investment fees	-	874	-	874	874
Contract labor	-	-	630	630	630
Total expenses	$ 71,324	$ 89,801	$ 145,650	$ 235,451	$ 306,775

The accompanying Notes are an integral part of these financial statements

Fisher House Michigan

Statement of Functional Expenses

Year ended December 31, 2019

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries and wages	$ 12,173	$ 48,693	$ 60,867	$ 109,560	$ 121,733
Payroll taxes	1,048	4,189	5,237	9,426	10,474
Total personnel costs	13,221	52,882	66,104	118,986	132,207
Grants awarded	2,010,000	-	-	-	2,010,000
Professional fees	-	14,462	-	14,462	14,462
Supplies	2,074	2,968	7,455	10,423	12,497
Advertising and publicity	5,802	-	6,053	6,053	11,855
Contract labor	9,394	1,000	-	1,000	10,394
Printing	1,983	18	8,127	8,145	10,128
Travel	1,349	-	7,736	7,736	9,085
Meals	5,876	-	937	937	6,813
Postage	-	50	4,559	4,609	4,609
Insurance	-	3,648	-	3,648	3,648
Rental fees	2,213	-	-	-	2,213
Bank fees	-	427	-	427	427
Miscellaneous	-	-	74	74	74
Total expenses	$ 2,051,912	$ 75,455	$ 101,045	$ 176,500	$ 2,228,412

The accompanying Notes are an integral part of these financial statements

Fisher House Michigan

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2020	2019
Cash Flows From Operating Activities		
Change in net assets	**$ 742,487**	$ (58,781)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization of net present value discount	**(3,359)**	(5,614)
Unrealized gain on investments	**(39,664)**	(2,585)
Donated stock	**-**	(5,005)
Increase (decrease) from changes in assets and liabilities		
Pledges and grants receivable	**307,606**	(139,275)
Accounts payable and accrued expenses	**(7,050)**	2,986
Grants payable	**(1,000,000)**	1,000,000
Net cash provided by operating activities	**20**	791,726
Cash Flows From Investing Activities		
Purchases of investments	**(265,604)**	-
Net cash used by investing activities	**(265,604)**	-
Cash Flows From Financing Activities		
Proceeds from notes payable	**28,820**	-
Net cash provided by financing activities	**28,820**	-
Net Increase (Decrease) in Cash and Cash Equivalents	**(236,764)**	791,726
Cash and Cash Equivalents, Beginning of Year	**1,133,762**	342,036
Cash and Cash Equivalents, End of Year	**$ 896,998**	$ 1,133,762

The accompanying Notes are an integral part of these financial statements

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Build it for the Brave, Inc. dba Fisher House Michigan ("the Organization"), is a nonprofit organization that incorporated on May 19, 2016 as a nonprofit corporation in the State of Michigan. The Organization's purpose is to provide support to military veterans especially relating to providing housing for family members and caregivers of veterans and veterans themselves while they are receiving medical treatment at a United States Veterans Affairs Medical Facility. The overall goal of the Organization is to construct a comfort home (a "Fisher House") where families can stay while a loved one is receiving treatment. The Organization's main sources of income are from contributions, fundraising activities, and grants.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians. *See Fair Value Measurements.*

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The 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). The three levels of the fair value hierarchy are described below:

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.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurement (continued)

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 - Inputs other than quoted prices that are observable for the asset or - 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.

The asset's 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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Mutual funds. The Organization values mutual funds with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year.

Certificates of Deposit. The Organization values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

In general, investments are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Accounts Receivable. Accounts receivable are stated net of allowances for uncollectible accounts. At the time accounts receivable are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the customer. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. Management believes that all accounts receivable are fully collectible at December 31, 2020 and 2019.

Pledges and Grants Receivable and Allowance for Doubtful Pledges and Grants. Contributions and grants are recognized as support in the period received and as assets or decreases of liabilities depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Pledges and grants receivable are stated net of allowances for doubtful pledges. Management provides for probable doubtful pledges through a provision for bad debt expense and an adjustment to the allowance account based on its assessment of the current status of individual amounts. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to pledges and grants receivable. No allowance for uncollectible accounts has been provided as the Organization expects to collect all outstanding amounts.

Property and Equipment. It is the Organization's policy to capitalize property and equipment at cost while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value on the date of the gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. The Organization does not currently own any property and equipment.

Basis of Net Asset Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

Revenue Recognition. Revenue is recorded as services are rendered. Prepaid amounts are recorded as a deferred revenue liability if payments are received before services are rendered. As the services are rendered, revenue is then recorded.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributions and Grants . Contributions and grants are recognized when commitments are received. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

Contributed Services. The Organization records the fair value of contributed services in the financial statements if the services either (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of other individuals have made contributions of their time to assist the Organization in a variety of tasks and services. The value of these services is not recorded in the accompanying financial statements as these services do not meet the criteria for recognition.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Reclassifications . Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation without affecting net assets as of December 31, 2019.

Subsequent Events . The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 26, 2021, the date at which the financial statements were available for release.

Note 2 – Fair Value Measurements

The following table summaries the Organization's fair value of assets measured on a recurring basis, by fair value hierarchy, as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments				
Certificate of deposits	$ -	$ 50,000	$ -	$ 50,000
Mutual funds - Equity		-	-	
Large Blend	297,609	-	-	297,609
Foreign Large Value	3,630	-	-	3,630
Small Value	2,260	-	-	2,260
Foreign Large Growth	3,349	-	-	3,349
Div Emerging Markets	2,765	-	-	2,765
Large Value	11,050	-	-	11,050
Large Growth	10,161	-	-	10,161
Mid-Cap Value	2,081	-	-	2,081
Mid-Cap Growth	2,052	-	-	2,052
For'n Small/Mid Bl	2,030	-	-	2,030
Small Growth	1,433	-	-	1,433
Mutual funds - Fixed				
Bank Loan	1,267	-	-	1,267
High Yield Bond	2,544	-	-	2,544
Inter Core-Plus Bond	7,534	-	-	7,534
Short-Term Bond	5,606	-	-	5,606
Intermediate Core	6,238	-	-	6,238
World Bond	1,249	-	-	1,249
Total assets at fair value	$ 362,858	$ 50,000	$ -	$ 412,858

The following table summaries the Organization's fair value of assets measured on a recurring basis, by fair value hierarchy, as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments				
Certificates of deposit	$ -	$ 102,585	$ -	$ 102,585
Corporate stocks	5,005	-	-	5,005
Total assets at fair value	$ 5,005	$ 102,585	$ -	$ 107,590

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

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2020 and 2019, there were no significant transfers in or out of fair value levels.

Note 3 – Pledges and Grants Receivable

Pledges and grants receivable are expected to be collected as follows at December 31:

	2020	2019
Due within 1 year	**$ 64,507**	$ 315,114
Due in 1-5 years	**60,000**	116,999
Total pledges receivable	**124,507**	432,113
Less unamortized present value discount	**(1,741)**	(5,100)
	$ 122,766	$ 427,013

Note 4 – Paycheck Protection Program Loan and Subsequent Events

In May 2020, the Organization was granted a loan ("the Loan") from Bank of Ann Arbor in the amount of $28,820, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"), which was enacted March 27, 2020.

The Loan, which was in the form of a promissory note dated May 5, 2020, bears interest at a rate of 1.00% per annum. Interest-only payments began in November 2020 with all principal and any accrued or unpaid interest due in April 2022. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before June 12, 2020, or through an alternate period as extended upon request of the Organization. The Organization used the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

Scheduled maturities of the note payable are as follows at December 31, 2020:

Year ended December 31	Total
2021	$ 19,279
2022	9,541
	$ 28,820

Subsequent Forgiveness of Loan. In January 2021, the Organization received notification from the Bank of Ann Arbor of full forgiveness of the Loan.

Subsequent Loan. In February 2021, the Organization was granted a loan ("the Second Loan") from the Bank of Ann Arbor in the amount of $32,026, pursuant to the Paycheck Protection Program ("the PPP") under the Economic Aid to Hard-Hit Businesses, Nonprofits and Venues Act ("the Economic Act"), which was enacted December 27, 2020.

Note 4 – Paycheck Protection Program Loan and Subsequent Events (continued)

The Second Loan, which was in the form of a promissory note dated February 3, 2021, matures on February 3, 2026 and bears interest at a rate of 1.00% per annum, payable in monthly installments of approximately $547 commencing on August 3, 2021. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Second Loan may only be used for mortgage payments, rent, utilities, and interest on other debt obligations, PPE costs, payments for any business software or cloud computing service that facilitates operations, product or service delivery, payroll expenses, human resources, sales and billing functions, or accounting of supplies and inventory, covered property damage, and covered supplier costs incurred before July 21, 2021. The Organization intends to use the entire Second Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the Economic Aid Act.

Note 5 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions are as follows:

	January 1, 2020 Balance	**Additions**	**Releases**	**December 31, 2020 Balance**
Time restrictions	**$ 427,013**	**$ 347,100**	**$ 661,347**	**$ 112,766**
Purpose restrictions				
Veteran family support fund	**-**	**70,000**	**10,000**	**60,000**
Spartan Capital family support	**-**	**221,291**	**-**	**221,291**
Total	**$ 427,013**	**$ 638,391**	**$ 671,347**	**$ 394,057**

	January 1, 2019 Balance	Additions	Releases	December 31, 2019 Balance
Time restrictions	$ 282,124	$ 1,514,489	$ 1,369,600	$ 427,013

Note 6 – In-kind Contributions

In-kind contributions were as follows for the years ended December 31:

	2020	2019
Supplies and materials	**$ 9,116**	$ 5,006
Legal and accounting services	**-**	4,500
	$ 9,116	$ 9,506

Note 7 – Liquidity and Availability of Resources

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of six months budgeted operating expenses. To achieve this target, the Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2020 and 2019, the level of liquidity and reserves was managed within the policy requirements.

Note 7 – Liquidity and Availability of Resources (continued)

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	**$ 896,998**	$ 1,133,762
Investments	**412,858**	107,590
Pledges and grants receivable	**122,766**	427,013
	1,432,622	1,668,365
Less amounts not available to be used within one year:		
Pledges and grants receivable for long-term purposes	**(58,259)**	(111,899)
Investments restricted long-term purposes	**(271,291)**	-
	(329,550)	(111,899)
Financial assets available for general expenditures within one year	**$ 1,103,072**	$ 1,556,466

Note 8 – Concentrations

Support Concentration. During the year December 31, 2020, two donors comprised 31% of the Organization's total support.

Receivable Concentration. As of December 31, 2020 and 2019, four donors comprised 96% and 55% of the Organization's net pledges and grants receivable, respectively.

Geographical Concentration. The Organization receives a substantial amount of its support from within the area of Southeast Michigan.

Note 8 – Concentrations (continued)

Bank Deposits. At certain times during the years ended December 31, 2020 and 2019, the Organization maintained cash balances in excess of federally insured limits.

Note 9 – Uncertainty Related to Virus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including Michigan, where the Organization is headquartered, have declared a state of

Potential impacts to the Organization include disruptions or restrictions on the Organization's ability to work which may include restrictions on its ability to provide services, raise funds, and perform necessary administrative tasks. The potential impacts of COVID-19 on the Organization's funders that may affect the funders' ability to continue supporting the Organization's operations are unknown.

COVID-19 may also adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could adversely impact the Organization's operating results. Although management continues to monitor and assess the effects of the COVID-19 pandemic on its operations, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

Note 10 – Other Subsequent Event

In February 2021, the Organization's board of directors approved a $500,000 disbursement to Fisher House Foundation for the construction of the VA Detroit Fisher House.