

ERIE DOWNTOWN PARTNERSHIP

FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Erie Downtown Partnership
Erie, Pennsylvania

We have audited the accompanying financial statements of Erie Downtown Partnership (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Erie Downtown Partnership 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.

Monahan & Monahan

Monahan & Monahan, P.C.
Certified Public Accountants

Erie, Pennsylvania
June 7, 2021

AUDITED FINANCIAL STATEMENTS

ERIE DOWNTOWN PARTNERSHIP
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	\$ 515,984	\$ 457,074
Accounts receivable	123,648	99,318
Prepaid items	7,757	4,584
Total current assets	647,389	560,976
Property and equipment	370,965	370,965
Less: Accumulated depreciation	341,761	325,443
Total property and equipment	29,204	45,522
 Total assets	 \$ 676,593	 \$ 606,498

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 36,129	\$ 17,963
Accrued payroll and related items	18,292	13,721
Accrued - other	85,135	26,315
Cares Act - Payroll Protection Program (PPP)	43,281	—
Deferred revenue - grants	45,111	213,322
Total current liabilities	227,948	271,321
Net assets:		
Without donor restrictions	448,645	335,177
With donor restrictions	—	—
Total net assets	448,645	335,177
 Total liabilities and net assets	 \$ 676,593	 \$ 606,498

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

ERIE DOWNTOWN PARTNERSHIP
STATEMENTS OF ACTIVITIES
Years Ended December 31,

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue						
Support:						
Contributions and grant revenue	\$ —	\$ 227,462	\$ 227,462	\$ —	\$ 29,927	\$ 29,927
Donated goods and services	13,799	—	13,799	11,629	—	11,629
Revenue:						
Assessments	450,230	—	450,230	354,470	—	354,470
Special revenues and sponsorships	54,673	—	54,673	45,522	—	45,522
Event income	55	—	55	6,463	—	6,463
Other revenue	58,150	—	58,150	9,630	—	9,630
Investment income	2,689	—	2,689	8,494	—	8,494
Net assets released from restrictions	<u>227,462</u>	<u>(227,462)</u>	<u>—</u>	<u>29,927</u>	<u>(29,927)</u>	<u>—</u>
Total support and revenue	<u>807,058</u>	<u>—</u>	<u>807,058</u>	<u>466,135</u>	<u>—</u>	<u>466,135</u>
Expenses						
Program delivery						
Design	332,478	—	332,478	190,915	—	190,915
Special events	91,050	—	91,050	138,617	—	138,617
Promotion	14,716	—	14,716	34,147	—	34,147
Total program services	<u>438,244</u>	<u>—</u>	<u>438,244</u>	<u>363,679</u>	<u>—</u>	<u>363,679</u>
Supporting services						
Administration	<u>255,346</u>	<u>—</u>	<u>255,346</u>	<u>257,682</u>	<u>—</u>	<u>257,682</u>
Total expenses	<u>693,590</u>	<u>—</u>	<u>693,590</u>	<u>621,361</u>	<u>—</u>	<u>621,361</u>
Increase (decrease) in net assets	113,468	—	113,468	(155,226)	—	(155,226)
Net assets, beginning of year	<u>335,177</u>	<u>—</u>	<u>335,177</u>	<u>490,403</u>	<u>—</u>	<u>490,403</u>
Net assets, end of year	<u>\$ 448,645</u>	<u>\$ —</u>	<u>\$ 448,645</u>	<u>\$ 335,177</u>	<u>\$ —</u>	<u>\$ 335,177</u>

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

ERIE DOWNTOWN PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services			Total Program Services	Support Services	Total Expenses
	Design	Special Events	Promotion		Adminis- tration	
Salaries	\$ 40,616	\$ 40,900	\$ —	\$ 81,516	\$ 162,590	\$ 244,106
Payroll taxes	3,302	3,322	—	6,624	12,873	19,497
Retirement contributions	565	502	—	1,067	3,616	4,683
Office expenses/misc.	95	—	125	220	1,759	1,979
Dues and subscriptions	—	—	—	—	3,374	3,374
Communications	—	—	—	—	7,694	7,694
Equipment lease	7,000	1,800	—	8,800	—	8,800
Insurance	5,045	5,045	—	10,090	13,782	23,872
Postage and delivery	—	—	—	—	352	352
Professional fees	1,305	—	—	1,305	8,220	9,525
Occupancy	—	—	—	—	15,643	15,643
Training and conferences	—	—	—	—	6,574	6,574
Travel and entertainment	—	1,385	—	1,385	1,189	2,574
Hospitality, flowers, gifts	—	—	—	—	2,683	2,683
Special event expense	—	24,645	—	24,645	—	24,645
Grants/public enhancements	200,493	9,873	—	210,366	—	210,366
Marketing	—	—	14,591	14,591	—	14,591
Maintenance	64,379	—	—	64,379	11,900	76,279
Bank charges	—	—	—	—	35	35
Bad debts	—	—	—	—	—	—
Depreciation	9,678	3,578	—	13,256	3,062	16,318
Total expenses	<u>\$ 332,478</u>	<u>\$ 91,050</u>	<u>\$ 14,716</u>	<u>\$ 438,244</u>	<u>\$ 255,346</u>	<u>\$ 693,590</u>

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

ERIE DOWNTOWN PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	<u>Program Services</u>			Total Program Services	<u>Support Services</u>	Total Expenses
	<u>Design</u>	<u>Special Events</u>	<u>Promotion</u>		<u>Adminis- tration</u>	
Salaries	\$ 45,552	\$ 23,470	\$ 470	\$ 69,492	\$ 151,946	\$ 221,438
Payroll taxes	4,259	1,923	—	6,182	11,962	18,144
Retirement contributions	660	467	—	1,127	3,051	4,178
Office expenses/misc.	14	840	603	1,457	6,792	8,249
Dues and subscriptions	—	—	—	—	3,993	3,993
Communications	—	—	—	—	3,865	3,865
Equipment lease	7,000	—	—	7,000	—	7,000
Insurance	3,403	18,575	—	21,978	19,219	41,197
Postage and delivery	—	—	—	—	538	538
Professional fees	2,327	1,698	685	4,710	5,720	10,430
Occupancy	—	—	—	—	15,475	15,475
Training and conferences	11,712	—	—	11,712	1,375	13,087
Travel and entertainment	—	—	—	—	3,004	3,004
Hospitality, flowers, gifts	—	—	—	—	14,615	14,615
Special event expense	—	85,475	—	85,475	—	85,475
Grants/public enhancements	25,306	—	7,500	32,806	—	32,806
Marketing	—	1,000	24,889	25,889	—	25,889
Maintenance	77,752	—	—	77,752	10,542	88,294
Bank charges	—	—	—	—	28	28
Bad debts	—	—	—	—	1,553	1,553
Depreciation	<u>12,930</u>	<u>5,169</u>	<u>—</u>	<u>18,099</u>	<u>4,004</u>	<u>22,103</u>
Total expenses	<u>\$ 190,915</u>	<u>\$ 138,617</u>	<u>\$ 34,147</u>	<u>\$ 363,679</u>	<u>\$ 257,682</u>	<u>\$ 621,361</u>

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

ERIE DOWNTOWN PARTNERSHIP
STATEMENTS OF CASH FLOWS
Years Ended December 31,

	2020	2019
Cash flows from operating activities:		
Increase (decrease) in net assets	<u>\$ 113,468</u>	<u>\$ (155,226)</u>
Adjustments to reconcile increase (decrease) in net assets provided (used) by operating activities:		
Depreciation	16,318	22,103
(Increase) decrease in accounts receivable	(24,330)	(14,950)
(Increase) decrease in prepaid items	(3,173)	(593)
Increase (decrease) in accounts payable	18,166	(11,709)
Increase (decrease) in accrued payroll and related items	4,571	2,107
Increase (decrease) in accrued - other	58,820	(1,415)
Increase (decrease) in deferred revenue - grants	(168,211)	83,487
Total adjustments	<u>(97,839)</u>	<u>79,030</u>
Net cash provided (used) by operating activities	<u>15,629</u>	<u>(76,196)</u>
Cash flows from financing activities:		
Proceeds of Cares Act, Payroll Protection Program (PPP)	<u>43,281</u>	<u>—</u>
Net cash provided (used) in financing activities	<u>43,281</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	58,910	(76,196)
Cash and cash equivalents, beginning of year	<u>457,074</u>	<u>533,270</u>
Cash and cash equivalents, end of year	<u><u>\$ 515,984</u></u>	<u><u>\$ 457,074</u></u>

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

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

The Erie Downtown Partnership (the Association) is a neighborhood improvement district, designated by the City Council of the City of Erie, Pennsylvania. The sunset provision of the ordinance creating the Association provides for the termination of the Association on June 30, 2029 (unless re-authorized by City Council of the City of Erie, Pennsylvania or dissolution proposed by the majority of voting board members). The Association serves the property owners of the City of Erie in the downtown district. The downtown district spans from the shoreline of Lake Erie south to the 14th street bridges and from the west side of Holland Street to the east side of Sassafras Street.

The Association's purposes are to assist property owners in making improvements and provide increased and expanded services within the established district. This includes, but is not limited to, those services which improve the ability of commercial establishments within the district to serve the consumer and the promotion of activities to bring consumers to the downtown district. Building from these strengths, the Association hopes to further improve the District's image plus expand its market capture to effectively reinvigorate downtown retailing and living, and to preserve its key office and entertainment roles.

Basis of Presentation

The financial statements of the Association have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Associations" (the Guide). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified 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 primary objectives of the Association. The Association's board may designate assets without restrictions for specific operational purposes from time to time.

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

Estimates

Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Summary of Significant Accounting Policies...(continued)

Income Tax Status

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Accordingly, no provision for federal income taxes has been made.

Property and Equipment

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. The straight-line method is used for financial and income tax reporting purposes. The estimated service lives of the equipment range from three to ten years. Equipment consist of the following as of December 31,:

	2020	2019
Equipment - Urban Design	\$ 118,369	\$ 118,369
Furniture - Administration	6,067	6,067
Furniture & Fixtures - Events	26,931	26,931
Computers	26,236	26,236
Equipment	168,961	168,961
Website	24,401	24,401
	\$ 370,965	370,965

Depreciation expense was \$16,318 and \$22,103 for the years ended December 31, 2020 and 2019, respectively.

Generally, acquisitions of equipment in excess of \$2,500 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the accounts and any gain or loss is reflected in changes in unrestricted net assets.

Donated Goods and Services

Donated goods and services when received, are reflected as contributions in the accompanying financial statements at their estimated value at the time the contribution is made. In the years ended December 31, 2020 and 2019, the value of donated goods and services was \$13,799 and \$11,629, respectively.

Donated goods and services were received and used as follows for the years ended December 31,:

	2020	2019
In-kind services	\$ —	\$ 4,629
Rental forgiveness	4,999	—
Donated storage space	8,800	7,000
	\$ 13,799	\$ 11,629

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Summary of Significant Accounting Policies....(continued)

Donated Goods and Services...(continued)

The Association also receives a significant amount of donated services related to volunteer activities. No amounts have been recognized in the financial statements for these services and materials because they did not meet the criteria for recognition in the financial statements.

Revenue and Accounts Receivable

The Association levies an assessment of .25% with a maximum of \$3,000 per property parcel on the taxable value of each property owner's real estate within the district. Tax-exempt real estate property owners have an option to sign financial contribution contracts with the Association or make financial contributions. The Association maintains ongoing collection reviews of its accounts receivable and liens are filed on property owners for non-payment of assessments. The receivables are as follows on December 31,:

	2020	2019
Accounts receivable	\$ 57,245	\$ 34,213
Liens receivable	66,403	65,105
	\$ 123,648	\$ 99,318

Customer accounts are written off when deemed uncollectible. The bad debts are \$ -0- and \$1,553 as of December 31, 2020 and 2019, respectively.

Accounting for Uncertain Tax Positions

Based on its review, management does not believe the Association has taken any material uncertain tax positions, including any position that would place the Association's exempt status in jeopardy. However, the three most recent tax years remain open for examination by federal and state tax authorities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all unrestricted demand deposits, certificates of deposit, and investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2020 and 2019, the Association held no investment instruments with original maturities of three months or less.

Concentration of Credit Risk

The Association maintains cash balances in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000. At December 31, 2020 and 2019, the Association's uninsured cash balances amounted to \$274,873 and \$215,819, respectively. The bank assures that deposits for the Association will be secured and collateralized in accordance with Act 72 of 1971. The bank pledges securities for public funds greater than \$250,000.

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Summary of Significant Accounting Policies....(continued)

Functional Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based upon estimates made by the Association's management and various internal records.

Reclassifications

Certain items in the 2019 financial statements have been reclassified to correspond to their presentation in the 2020 financial statements. The reclassifications have no effect on the change in net assets reported on the 2019 financial statements.

Subsequent Events

The Association has evaluated subsequent events through June 7, 2021, the date which the financial statements were available to be issued.

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to business worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. One such program, Cares Act Payroll Protection Program, in particular is being made available for small businesses and nonprofits.

The Association has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods.

Revenue Recognition

Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), the new revenue recognition framework supercedes the revenue recognition requirement in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Accounting Standards Codification (ASC). This industry guidance is formed in subtopic 958-605; Not-for-Profit Entities-Revenue Recognition. Some of this guidance remains in force, mainly portions relevant to contributions, however, with certain limitations all revenue generated through exchange transactions "contracts with customers" will be subject to the new standard.

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Summary of Significant Accounting Policies....(continued)

Revenue Recognition...continued

In the nonprofit environment, revenue sourced from membership fees, sale of products and services, naming rights, sponsorships and special events are considered as “contracts with customers” once the contribution element is removed.

The core principle of the new standard is revenue recognition should “depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services” (ASC 606-10-05-3).

There is a five step approach 1) identify the contract with customer, 2) identify the performance obligation in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligation in the contract and 5) recognize revenue when (or as) the entity satisfies a performance obligation.

The Association adopted the Standard as of January 1, 2019 and below is a breakdown of the revenue for the year’s ending December 31,:

	2020		2019	
	Included as Contract with Customers	Not Included	Included as Contract with Customers	Not Included
Support Revenue	\$ 565,797	\$ 236,262	\$ 424,579	\$ 41,556

Revenues are treated as a single unit and are considered by the Association as performance obligations. These services are provided at a point in time and satisfied during the year with no remaining obligation.

The adoption of ASC 606 did not result in a change to the accounting for any of the in-scope revenue streams; as such, no cumulative effect adjustment was recorded.

Note 2 - Commitments

In 2011, the Association leased offices at 140 East Fifth Street. The lease commenced on June 17, 2011 and continue through June 30, 2016. In 2016, the Association exercised their right to extend the lease for a period of three years. On June 12, 2019 an amendment to the lease was entered into extending the period two additional years until June 30, 2021.

The annual base rate is \$1,170 per month. As of the first day of the first month of the extension term a rental adjustment based on cost of living was calculated. The rental expense was \$14,998 and \$14,361 in the years ended December 31, 2020 and 2019, respectively. Reflected in the rental expense for 2020 is four months of forgiven rent by the Lessor in the amount of \$4,999.

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 3 - Contributions and Grants

The detail of the contributions and grants received for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
<u>Contribution and Grant Revenue</u>		
DCED - Gateway Grant	\$ 37,950	\$ —
UPMC Hamot Gateway Project Funds	75,000	—
PA Liquor Control Board Grant	—	4,800
ECGRA - Mission Main Street Grant	54,138	11,142
ECGRA - Special Events	—	4,014
ECGRA - Comm Asset Grant 2018	7,198	—
NRO - Weeding/Cleaning	—	500
ECF Helping Today Grant 2018	6,876	371
ECF Helping Today Grant 2019	25,000	—
ECF Helping Today Grant 2020	15,000	—
LWV Mural Project	6,300	9,050
Care Fund Donations	—	50
	\$ 227,462	\$ 29,927

	2020	2019
<u>Deferred Revenue - Grants</u>		
ECGRA - Mission Main Street Grant	\$ 9,556	\$ 63,693
ECGRA Community Assets Grant	7,802	15,000
ECF Helping Today Grant	2,753	34,629
UPMC Hamot Gateway Projects Fund	25,000	100,000
	\$ 45,111	\$ 213,322

Note 4 - Board Designated Net Assets

The board designated net assets are comprised of the following:

Without donor restrictions

	2020	2019
Designated by the Board for:		
Reserve	\$ 200,000	\$ 200,000
Reserve for fixed assets	56,056	54,856
	256,056	254,856
Undesignated	192,589	80,321
Net Assets	\$ 448,645	\$ 335,177

ERIE DOWNTOWN PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 5 - Retirement Plan

In October 2008, the Association adopted a 403(b) retirement plan for all eligible employees. Under the plan, the Association, at its discretion, matches 50% of the employees' contributions up to 6% of wages. This amounted to \$4,683 and \$4,178 for the years ended December 31, 2020 and 2019, respectively.

Note 6 - Related Party

During the years 2020 and 2019, the Association received donated storage space from local governmental authorities, with value in the amount of \$7,000, in lieu of funds committed pursuant to a financial contribution contract.

The Association, in its normal course of business, will patronize vendors/members in the downtown district whom provide goods and services at market retail value.

Note 7 - Liquidity and Availability of Resources

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed regulation within one year of the statement of financial position date.

	2020	2019
Financial assets at year end	\$ 639,632	\$ 556,392
Less: those unavailable for general expenditures within one year:		
Board designated (Note 4)	256,056	254,856
Financial assets available to meet cash needs for general expenditures within one year	\$ 383,576	\$ 301,536

Note 8 - Cares Act, Payroll Protection Program (PPP)

The Association applied for and was granted \$43,281 under the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security (CARES) Act, which in essence represents a grant. Using guidance in ASC-958-605 Revenue Recognition for Not-For-Profit Entities, the loan will be reflected as a liability (refundable advance). Only when conditions are substantially met or explicitly waived will the funds be recognized as income. As of December 31, 2020, the Association is reflecting the proceeds of the loan as a liability on the Statement of Financial Position and as a financing activity on the Statement of Cash Flows. Subsequent forgiveness was granted April 5, 2021.