

SOLDIERS' ANGELS
Audited Financial Statements
December 31, 2019

AKIN, DOHERTY, KLEIN & FEUGE, P.C.
Certified Public Accountants

SOLDIERS' ANGELS
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December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Soldiers' Angels
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Soldiers' Angels, which comprise the statements of financial position as of December 31, 2019 and 2018, 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 U.S. generally accepted accounting principles; 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 audits. We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 auditor's judgment, including the assessment of the risk 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.

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MAIN OFFICE

www.adkf.com

616 East Blanco, Suite 300e
Boerne, Texas 78006
Phone: 830 815-1100
Fax: 830 249-3714

8610 North New Braunfels, Suite 101
San Antonio, Texas 78217
Phone: 210 829-1300
Fax: 210 829-4080

672 Ridge Hill Drive, Suite B
New Braunfels, Texas 78130
Phone: 830 387-4441
Fax: 830 625-3456

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Soldiers' Angels as of December 31, 2019 and 2018, and the changes in its net assets, functional expenses and cash flows for the years then ended in accordance with U. S. generally accepted accounting principles.

Akin, Doherty, Klein & Feuge P.C.

Akin, Doherty, Klein & Feuge, P.C.

San Antonio, Texas

April 30, 2020

SOLDIERS' ANGELS
Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,069,536	\$ 1,981,482
Investments, at fair value	23,787	3,450
Accounts receivable	205,436	165,575
Contributed goods inventory	6,540	-
Other inventory	17,168	13,205
Prepaid expenses	30,289	17,593
Total current assets	<u>2,352,756</u>	<u>2,181,305</u>
Other Assets:		
Property and equipment, net	245,648	147,742
Deposits and other assets	8,960	8,960
Total other assets	<u>254,608</u>	<u>156,702</u>
Total Assets	<u><u>\$ 2,607,364</u></u>	<u><u>\$ 2,338,007</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 74,639	\$ 302,571
Accrued expenses	64,836	38,482
Total current liabilities	<u>139,475</u>	<u>341,053</u>
Net Assets:		
Without donor restrictions	2,467,889	1,996,954
Total net assets	<u>2,467,889</u>	<u>1,996,954</u>
Total Liabilities and Net Assets	<u><u>\$ 2,607,364</u></u>	<u><u>\$ 2,338,007</u></u>

See notes to audited financial statements.

SOLDIERS' ANGELS
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and Revenues			
Contributed goods, services and facilities	\$ 26,173,456	\$ -	\$ 26,173,456
Contributions	2,741,141	-	2,741,141
Fundraising - auto auctions, net of direct expenses of \$2,625,406	1,382,785	-	1,382,785
Fundraising - third party events	<u>32,904</u>	<u>-</u>	<u>32,904</u>
Total support and revenues	<u>30,330,286</u>	<u>-</u>	<u>30,330,286</u>
Expenses			
Program services	28,953,229	-	28,953,229
General and administrative	266,892	-	266,892
Fundraising	<u>661,133</u>	<u>-</u>	<u>661,133</u>
Total expenses	<u>29,881,254</u>	<u>-</u>	<u>29,881,254</u>
Income from Operations	449,032	-	449,032
Investment earnings, net	<u>21,903</u>	<u>-</u>	<u>21,903</u>
Change in Net Assets	470,935	-	470,935
Net assets released from restrictions	-	-	-
Net assets at beginning of year	<u>1,996,954</u>	<u>-</u>	<u>1,996,954</u>
Net Assets at Year End	<u><u>\$ 2,467,889</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,467,889</u></u>

See notes to audited financial statements.

SOLDIERS' ANGELS
Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributed goods, services and facilities	\$ 22,918,247	\$ -	\$ 22,918,247
Contributions	2,511,845	-	2,511,845
Fundraising - auto auctions, net of direct expenses of \$1,566,311	748,330	-	748,330
Fundraising - third party events	311,540	-	311,540
Total support and revenues	<u>26,489,962</u>	<u>-</u>	<u>26,489,962</u>
Expenses			
Program services	25,270,845	-	25,270,845
General and administrative	222,310	-	222,310
Fundraising	705,755	-	705,755
Total expenses	<u>26,198,910</u>	<u>-</u>	<u>26,198,910</u>
Income from Operations	291,052	-	291,052
Investment earnings, net	<u>11,666</u>	<u>-</u>	<u>11,666</u>
Change in Net Assets	302,718	-	302,718
Net assets released from restrictions	-	-	-
Net assets at beginning of year	<u>1,694,236</u>	<u>-</u>	<u>1,694,236</u>
Net Assets at Year End	<u>\$ 1,996,954</u>	<u>\$ -</u>	<u>\$ 1,996,954</u>

See notes to audited financial statements.

SOLDIERS' ANGELS
Statement of Functional Expenses
Year Ended December 31, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and employee benefits	\$ 1,007,807	\$ 144,192	\$ 196,393	\$ 1,348,392
In-kind expense	26,161,434	-	-	26,161,434
Conferences and meetings	1,827	4,681	10	6,518
Insurance	9,914	268	-	10,182
Memberships and dues	1,927	864	3,335	6,126
Postage and shipping	123,505	1,314	97,594	222,413
Printing and publications	6,097	1,272	4,065	11,434
Professional services	418,699	32,604	278,975	730,278
Rent and maintenance	131,995	30,762	17,064	179,821
Specific assistance	799,305	233	1,802	801,340
Supplies	126,827	11,594	51,552	189,973
Telephone and internet	23,563	3,464	1,287	28,314
Third party event expenses	1,828	-	3,163	4,991
Travel	85,263	1,546	5,439	92,248
Volunteer expense	31,951	95	350	32,396
Depreciation	7,883	21,426	-	29,309
Other	13,404	12,577	104	26,085
	<u>\$ 28,953,229</u>	<u>\$ 266,892</u>	<u>\$ 661,133</u>	<u>\$ 29,881,254</u>

Other expenses not included above:

Auto auction, direct costs

\$ 2,625,406

See notes to audited financial statements.

SOLDIERS' ANGELS
Statement of Functional Expenses
Year Ended December 31, 2018

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, taxes and employee benefits	\$ 789,582	\$ 128,984	\$ 136,822	\$ 1,055,388
In-kind expense	22,913,921	-	-	22,913,921
Conferences and meetings	3,074	4,400	188	7,662
Insurance	10,620	971	-	11,591
Memberships and dues	1,171	987	2,455	4,613
Postage and shipping	223,753	11,482	253,229	488,464
Printing and publications	10,967	249	2,030	13,246
Professional services	330,875	41,525	262,688	635,088
Rent and maintenance	63,755	12,836	30,270	106,861
Specific assistance	573,149	295	-	573,444
Supplies	39,954	7,635	8,086	55,675
Telephone and internet	22,742	4,842	912	28,496
Third party event expenses	15,277	18	3,478	18,773
Travel	95,545	1,209	5,259	102,013
Volunteer expense	163,933	663	98	164,694
Depreciation	4,910	-	-	4,910
Other	7,617	6,214	240	14,071
	<u>\$ 25,270,845</u>	<u>\$ 222,310</u>	<u>\$ 705,755</u>	<u>\$ 26,198,910</u>
Other expenses not included above:				
Auto auction, direct costs			<u>\$ 1,566,311</u>	

See notes to audited financial statements.

SOLDIERS' ANGELS
Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Change in net assets	\$ 470,935	\$ 302,718
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	29,309	4,910
Net loss on investments	182	688
Loss on disposal of equipment	7,008	-
Contributed investments	(23,519)	(3,805)
Contributed inventory	(6,540)	-
Changes in operating assets and liabilities:		
Accounts receivable	(39,861)	(39,833)
Prepaid expenses	(12,696)	(4,762)
Inventory	(3,963)	149,227
Real estate held for sale	-	-
Accounts payable	(227,932)	285,392
Accrued expenses	26,354	22,299
Other assets	-	(8,960)
Net cash provided by operating activities	<u>219,277</u>	<u>707,874</u>
Investing Activities		
Purchase of property and equipment	(134,223)	(142,685)
Net investment activity	<u>3,000</u>	<u>23,769</u>
Net cash (used) by investing activities	<u>(131,223)</u>	<u>(118,916)</u>
Change in cash and cash equivalents	88,054	588,958
Cash and cash equivalents at beginning of year	<u>1,981,482</u>	<u>1,392,524</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 2,069,536</u></u>	<u><u>\$ 1,981,482</u></u>
Supplemental Disclosures		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	-	-
Non-cash donations, in-kind	26,173,456	22,918,247

See notes to audited financial statements.

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Soldiers' Angels (Organization) is a not-for-profit which was incorporated on December 26, 2003, with a mission to provide aid, comfort and resources to the military personnel, veterans and their families. The Organization offers "boots on the ground" and "virtual" programs and services, which allows the Organization to best serve military families and veterans, while also ensuring that the resources of dedicated volunteers are fully utilized.

The Organization operates twelve virtual teams that include volunteers from all over the country and internationally who participate in supporting the U.S. military families and U.S. veterans. The Organization's virtual teams and programs include:

- Deployed Adoptions Team
- Ladies of Liberty Team
- Angels Bakers Team
- Chaplain Support Team
- Letter Writing Team
- Special Operations Forces Team
- Baby Brigade Team
- Women of Valor Team
- Living Legends Team
- Cards Plus Team
- Sewing & Crafting Team
- Adopt-A-Family Team

Soldiers' Angels "boots on the ground" services are geared primarily to supporting veterans through a partnership with VA Medical Centers. Soldiers' Angels provides support to veteran patients and homeless veterans to include:

- Patient Visits
- Luncheons/Dinners
- Mobile Food Distributions
- Hygiene Kits
- Canteen Vouchers
- Stand Down Support for Homeless Veterans
- Homeless Veteran Housing Packs
- Transportation Services
- Box Lunches
- Valor IT

These key service areas are provided through the contribution of goods, gift cards and other services which are recognized at fair value and reflected in the accompanying financial statements as contributed goods, services and facilities which are offset by a like amount included as in-kind expense.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles. Net assets, support and revenues, and expenses 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:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. ***Grants and contributions gifted for recurring programs are generally not considered "restricted" under GAAP***, though for internal reporting management tracks such donations and contributions to verify the disbursement matches the donor's intent. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, Board designated.

With Donor Restrictions: Net assets subject to donor-imposed stipulations that are more restrictive than the Organization's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition: The Organization recognizes contributions and grants either when a valid promise to give (generally in writing) is received or as collected in the case of most smaller denomination gifts. Contributions are reported as without or with donor restriction, depending on the existence and/or nature of any restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restriction. Non-cash contributions are recorded at their fair market value at the date of contribution.

Donated goods and services are reported as “in-kind contributions” by the Organization. Donated goods are recorded at fair value at the time of donation. The value of donated services is based on an amount determined to be appropriate if individuals were employed by the Organization to perform such services and is recorded as contributed services revenue and expense in the period during which the services are rendered.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand and deposits held by financial institutions with maturities of three months or less.

Investments: Investments are reported at fair market value determined by quoted market prices. Gains and losses (realized and unrealized) are reported as investment earnings, net of fees in the accompanying statements of activities. Donated investment instruments are recorded at fair value at the date of donation.

Accounts Receivable: Accounts receivable are reported at outstanding principal, net of an allowance for doubtful accounts if deemed necessary. The allowance is generally determined based on an account-by-account review and historic trends. Accounts are charged off when collection efforts have failed and the account is deemed uncollectible. An allowance was not required at December 31, 2019 and 2018. Interest is generally not charged on the receivables.

Inventories: Inventories consist of care packages which are gifts to be sent to deployed soldiers or their families, promotional items and contributed goods for distribution and use in the Organization’s programs. The distribution of these contributed goods for the Organization programs are recorded as program expenses in the statements of functional expenses. Cost is determined using the first-in, first-out method. Donated items are recorded at their estimated fair value at the date of donation.

Property and Equipment: Property, improvements and equipment are valued at historical cost or estimated fair value at the date of donation. Expenditures for betterments greater than \$5,000 that materially extend the useful life of an asset are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which is generally three to five years for furniture, equipment and vehicles and five years for improvements.

Income Taxes: Soldiers’ Angels is a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3). In addition, the Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. The Organization is not subject to Texas margin tax. Management is not aware of any tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

Employee Benefit Plan: The Organization has a Simple IRA plan which covers substantially all employees. Employees may contribute a percentage of their annual compensation as allowed by the federal tax code. The Organization matches up to 3% of employees’ contributions. The Organization matched approximately \$24,000 in 2019 and \$20,000 in 2018 to the Plan.

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Functional Allocation of Expenses: The costs of providing the services and other activities of the Organization have been summarized on a functional basis in the statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated on the basis of estimates of time and effort, as well as depreciation, office and occupancy, which are allocated on square-footage or other reasonable basis.

Advertising: Advertising and marketing costs are expensed as incurred and totaled approximately \$90,000 in 2019 and \$97,000 in 2018.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

Recently Adopted Accounting Pronouncements: In May 2014, the FASB issued Accounting Standard Update 2014-09, regarding revenue recognition, effective for periods beginning after December 15, 2018. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. Soldiers' Angels adopted this new pronouncement effective January 1, 2019. This standard was implemented using the modified retrospective method. While adoption of this standard required additional disclosures, adoption did not have a material impact on the financial statements and no adjustments were made to prior periods.

In June 2018, the FASB issued a new accounting pronouncement clarifying the scope and guidance for contributions received, effective for periods beginning after December 15, 2018 with early adoption permitted. The update was issued to assist organizations in 1) evaluating whether transactions should be accounted for as contributions or exchange transactions and 2) determine whether contributions are conditional. Soldiers' angels adopted this new pronouncement effective January 1, 2019. The new standard did not have a significant impact to its financial position, results of operations, and related disclosures.

New Accounting Pronouncements: In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2020. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than 12 months. Management does not expect the new standard to have a significant impact to its financial position, results of operations and related disclosures.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization places its cash and investments with financial institutions, and limits the amount of credit exposure, although it may from time to time have cash balances or investments in excess of that insured by the FDIC. The Organization periodically assesses the financial condition of the institutions and believes the risk of loss is minimal.

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE B – INVESTMENTS

Investments are stated at fair value. Investment earnings (including interest earned on accounts classified as cash and cash equivalents) is summarized as follows at December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 22,190	\$ 12,504
Net realized and unrealized gains (losses) on change in market value	(137)	(688)
Investment fees	<u>(150)</u>	<u>(150)</u>
Investment earnings, net	<u>\$ 21,903</u>	<u>\$ 11,666</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Vehicles	\$ 32,780	\$ 43,855
Furniture and equipment	31,926	-
Leasehold improvements	21,800	-
Software	190,400	-
Construction and development in progress	<u>-</u>	<u>109,905</u>
Total property and equipment	276,906	153,760
Less accumulated depreciation	<u>(31,258)</u>	<u>(6,018)</u>
Property and equipment, net	<u>\$ 245,648</u>	<u>\$ 147,742</u>

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE D – GIFTS IN-KIND

Contributed goods, services and facilities consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Goods	\$ 25,934,057	\$ 22,819,365
Facilities	15,593	13,400
Professional services	217,370	85,432
Gift cards	<u>6,436</u>	<u>50</u>
	<u>\$ 26,173,456</u>	<u>\$ 22,918,247</u>

The Organization disbursed \$25,933,953 in 2019 and \$22,819,415 in 2018 in donated goods to various VA hospitals and military families. These disbursements are included in in-kind expenses in the statement of functional expenses.

Volunteers donated approximately 167,000 hours in 2019 and 170,000 hours in 2018 to SA’s program services; however, these donated services are not reflected in the financial statements since they do not meet the criteria for recognition under U.S. generally accepted accounting principles, which limits recognition of donated services to professional services.

NOTE E – OPERATING LEASES

The Organization leases office and storage space under a noncancelable operating lease with monthly payments of approximately \$6,500. The operating lease expires February 2024.

The Organization also leases various office equipment with monthly payments ranging from \$405 to \$661 with various expiration dates through March 2024.

Rent expense totaled approximately \$107,000 in 2019 and \$100,000 in 2018. The aggregate minimum future lease payments on noncancelable leases at December 31, 2019, are as follows:

<u>Year Ending December 31,</u>	
2020	\$ 93,400
2021	91,900
2022	94,300
2023	97,200
2024	23,800

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE F – RELATED PARTY TRANSACTIONS

The Organization received approximately \$114,000 in 2019 and \$75,000 in 2018 for in-kind donations from Board Members. These amounts are included in contributed goods, services and facilities in the statement of activities. Additionally, the Organization has access to warehouse space owned by a Board member. This space is used periodically by the Organization as the need arises. No in-kind revenue or expense has been reflected in the financial statements for the use of this warehouse space due to irregular use of the space.

NOTE G – FAIR VALUE MEASUREMENTS

In accordance with U. S. generally accepted accounting principles, the Organization utilizes a fair value hierarchy that prioritizes the inputs for the 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets
 - quoted prices for identical or similar assets or liabilities in inactive markets
 - inputs other than quoted prices that are observable for the asset or liability
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

There have been no changes in the methodologies nor transfers between levels. Following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued at its carry amount due to short-term maturity of the instrument.

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

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

SOLDIERS' ANGELS
Notes to Audited Financial Statements
December 31, 2019 and 2018

NOTE G – FAIR VALUE MEASUREMENTS - continued

The following table sets forth, by level within the fair value hierarchy, the Organization’s investments at fair value as follows:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
<i>December 31, 2019</i>				
Cash and cash equivalents	\$ 23,787	\$ -	\$ -	\$ 23,787
Total investments at fair value	<u>\$ 23,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,787</u>
 <i>December 31, 2018</i>				
Cash and cash equivalents	\$ 104	\$ -	\$ -	\$ 104
Equity securities	<u>3,346</u>	<u>-</u>	<u>-</u>	<u>3,346</u>
Total investments at fair value	<u>\$ 3,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,450</u>

NOTE H – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization has approximately \$2,299,000 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. This consists of cash of \$2,070,000, accounts receivable of \$205,000 and investments (which are not endowed) of \$24,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets on hand to meet at least 60 days of normal operating expenses which, on the average, total approximately \$310,000 per month given full programmatic expenditures.

NOTE I – SUBSEQUENT EVENTS

As a result of the COVID-19 coronavirus, economic uncertainties have arisen which could impact our operations. Any potential financial impact is unknown at this time.

On April 29, 2020, the Organization received a \$285,305 loan from the Paycheck Protection Program (PPP) offered by the Small Business Administration (SBA). All or a portion of the loan proceeds may be forgiven by the SBA if the loan proceeds are used for specific costs including payroll, health benefits, rent and utilities over the eight-week period following receipt of the proceeds. At this time, it is unknown if all or a portion of the loan proceeds will be forgiven by the SBA. In the event of repayment, the loans will be due in 24 months with interest at 1%.