

Zaman International

Financial Statements

December 31, 2020 and 2019

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Independent Auditors' Report

To the Board of Directors of
Zaman International

Report on the Financial Statements

We have audited the accompanying financial statements of Zaman International (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 the Organization 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.

Baker Tilly US, LLP

Southfield, Michigan
October 13, 2021

Zaman International

Statements of Financial Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,147,858	\$ 531,978
Accounts receivable	13,427	7,234
Grants receivable	42,469	85,033
Inventories	64,719	54,177
Prepaid expenses	<u>14,678</u>	<u>3,457</u>
Total current assets	1,283,151	681,879
Property and Equipment, Net	<u>1,152,143</u>	<u>1,129,623</u>
Total assets	<u><u>\$ 2,435,294</u></u>	<u><u>\$ 1,811,502</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 53,838	\$ 67,716
Accrued expenses	18,889	67,639
Current maturities of long-term debt	24,580	22,845
Deferred grant revenue	33,875	26,000
Note payable (PPP)	<u>182,856</u>	<u>-</u>
Total current liabilities	314,038	184,200
Long-Term Debt, Net of Current Maturities	<u>304,503</u>	<u>328,826</u>
Total liabilities	<u>618,541</u>	<u>513,026</u>
Net Assets		
Without donor restrictions	1,626,912	1,093,769
With donor restrictions	<u>189,841</u>	<u>204,707</u>
Total net assets	<u>1,816,753</u>	<u>1,298,476</u>
Total liabilities and net assets	<u><u>\$ 2,435,294</u></u>	<u><u>\$ 1,811,502</u></u>

See notes to financial statements

Zaman International

Statements of Activities

Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	Without Donor Restrictions	With Donor Restrictions	2019 Total
Revenue and Public Support						
Contributions	\$ 2,037,625	\$ 14,800	\$ 2,052,425	\$ 1,273,270	\$ 119,949	\$ 1,393,219
Grants	338,887	172,398	511,285	319,054	82,129	401,183
In-kind contributions:						
Food, clothing, and household items	266,957	-	266,957	76,747	-	76,747
Services	179,508	-	179,508	192,435	-	192,435
Sale of donated items	171,611	-	171,611	308,849	-	308,849
Special events, net of expenses of \$56,868 in 2020 and \$122,854 in 2019	(40,835)	-	(40,835)	(23,452)	-	(23,452)
Other revenue	44,084	-	44,084	59,036	-	59,036
Net assets released from restriction	<u>202,064</u>	<u>(202,064)</u>	<u>-</u>	<u>27,195</u>	<u>(27,195)</u>	<u>-</u>
Total revenue and public support	<u>3,199,901</u>	<u>(14,866)</u>	<u>3,185,035</u>	<u>2,233,134</u>	<u>174,883</u>	<u>2,408,017</u>
Expenses						
Program	2,390,626	-	2,390,626	1,902,309	-	1,902,309
Management and general	172,300	-	172,300	135,043	-	135,043
Fundraising	<u>103,832</u>	<u>-</u>	<u>103,832</u>	<u>44,314</u>	<u>-</u>	<u>44,314</u>
Total expenses	<u>2,666,758</u>	<u>-</u>	<u>2,666,758</u>	<u>2,081,666</u>	<u>-</u>	<u>2,081,666</u>
Change in net assets	533,143	(14,866)	518,277	151,468	174,883	326,351
Net Assets, Beginning	<u>1,093,769</u>	<u>204,707</u>	<u>1,298,476</u>	<u>942,301</u>	<u>29,824</u>	<u>972,125</u>
Net Assets, Ending	<u><u>\$ 1,626,912</u></u>	<u><u>\$ 189,841</u></u>	<u><u>\$ 1,816,753</u></u>	<u><u>\$ 1,093,769</u></u>	<u><u>\$ 204,707</u></u>	<u><u>\$ 1,298,476</u></u>

See notes to financial statements

Zaman International

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 518,277	\$ 326,351
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	110,146	101,366
Amortization - debt issuance costs	256	150
In-kind donations of inventory, net	(10,542)	2,706
Changes in assets and liabilities:		
Accounts receivable	(6,193)	16,611
Grants receivable	42,564	(38,622)
Prepaid expenses	(11,221)	(1,345)
Accounts payable	(13,878)	2,075
Accrued expenses	(48,750)	16,240
Deferred grant revenue	7,875	26,000
Net cash flows from operating activities	<u>588,534</u>	<u>451,532</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(132,666)</u>	<u>(150,610)</u>
Cash Flows from Financing Activities		
Principal payments on long-term debt	(22,844)	(14,139)
Proceeds from long-term debt	-	36,853
Proceeds from note payable	182,856	-
Payment of debt issuance costs	<u>-</u>	<u>(3,850)</u>
Net cash flows from financing activities	<u>160,012</u>	<u>18,864</u>
Net change in cash and cash equivalents	615,880	319,786
Cash and Cash Equivalents, Beginning	<u>531,978</u>	<u>212,192</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,147,858</u></u>	<u><u>\$ 531,978</u></u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	<u>\$ 18,172</u>	<u>\$ 18,183</u>
Noncash Investing and Financing Activity		
Vehicle acquired through debt	<u>\$ -</u>	<u>\$ 19,510</u>
Refinance mortgage note payable	<u>\$ -</u>	<u>\$ (313,147)</u>

See notes to financial statements

Zaman International

Statements of Functional Expenses

Years Ended December 31, 2020 and 2019

	Program	Management and General	Fundraising	2020 Total	Program	Management and General	Fundraising	2019 Total
Salaries and wages	\$ 721,987	\$ 51,692	\$ 13,603	\$ 787,282	\$ 795,795	\$ 27,664	\$ 5,490	\$ 828,949
Fringe benefits	9,919	979	258	11,156	8,691	871	172	9,734
Payroll taxes	58,072	5,576	1,468	65,116	85,730	4,220	838	90,788
Total salaries and related expenses	789,978	58,247	15,329	863,554	890,216	32,755	6,500	929,471
Professional/Contractual fees	244,748	64,506	14,103	323,357	177,234	55,418	8,968	241,620
Advertising	2,662	665	175	3,502	2,740	1,500	4,000	8,240
Postage and office supplies	15,992	4,100	410	20,502	13,770	3,606	328	17,704
Utilities	5,247	1,346	135	6,728	8,178	2,097	210	10,485
Insurance	3,240	831	83	4,154	3,023	775	78	3,876
Telephone and communication	4,105	1,026	270	5,401	4,396	780	155	5,331
Equipment rental and maintenance	11,330	2,832	745	14,907	9,006	2,359	214	11,579
Auto	5,929	6,282	390	12,601	7,290	1,294	256	8,840
Depreciation	85,914	22,029	2,203	110,146	78,840	20,649	1,877	101,366
Interest	13,958	3,579	358	17,895	15,009	2,664	529	18,202
Assistance to individuals	1,237,942	-	66,418	1,304,360	783,650	-	20,310	803,960
Bank and credit card fees	5,904	145	2,320	8,369	5,669	1,006	200	6,875
Maintenance	7,596	1,948	195	9,739	15,381	3,944	394	19,719
Travel and conferences	6,206	1,552	408	8,166	3,483	618	123	4,224
Licenses and subscriptions	2,906	727	191	3,824	1,586	355	36	1,977
Other	3,842	2,485	99	6,426	5,692	5,223	136	11,051
Total expenses	2,447,499	172,300	103,832	2,723,631	2,025,163	135,043	44,314	2,204,520
Less: Special events	56,873	-	-	-	122,854	-	-	-
Total expenses	<u>\$ 2,390,626</u>	<u>\$ 172,300</u>	<u>\$ 103,832</u>	<u>\$ 2,666,758</u>	<u>\$ 1,902,309</u>	<u>\$ 135,043</u>	<u>\$ 44,314</u>	<u>\$ 2,081,666</u>

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Activities

Zaman International (Zaman or the Organization), a not-for-profit organization, provides services to individuals and families located predominantly in Detroit and western Wayne County, Michigan. Zaman's mission is to facilitate change and advance the lives of marginalized women and children, by enabling them to meet essential needs common to all humankind. This is done by providing urgently needed food, clothing, shelter assistance and other essentials. Once the families' basic needs are met, Zaman offers vocational and educational training programs empowering the underserved to move from dependency to self-reliance. Zaman also operates a thrift shop to generate revenue to support services provided by selling donated goods.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization defines cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The Organization maintains its cash in bank deposit accounts, which at times throughout the year, may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Accounts and Grants Receivable

Accounts receivable are the result of exchange transactions and are recorded at its net realizable value based on the net transaction price, collection history and experience. There Organization did not record any bad debt expense in 2020 and 2019.

Grants receivable are recorded net of an allowance for doubtful accounts. The Organization considers all grants receivable to be fully collectible at December 31, 2020 and 2019.

Inventories

The Organization receives donations of food, clothing, and household items, certain items of which are offered for sale in the Organization's thrift shop. Inventory is recorded at fair value at the point such items are offered for sale. Prior to being offered for sale, such items are not valued due to significant uncertainty concerning their value. Purchased inventory is priced at the lower of cost or net realizable value.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value at date of the gift if donated. All acquisitions of property and equipment in excess of \$3,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in the statements of activity.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, consisting of property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use and eventual disposition of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. These designations can be modified or removed by the Board of Directors at any time. There were no net assets designated by the Board of Directors as of December 31, 2020 and 2019.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, or are required to be maintained permanently by the Organization.

Revenue Recognition - Sale of Donated Items

Sale of donated items revenue is recognized when the Organization satisfies its performance obligation(s) under the agreement by transferring the promised goods to its customers. A performance obligation is a promise in an agreement to transfer a distinct good to its customers. This transfer of control occurs at the point of sale. In accordance with the current accounting guidance, an agreement's transaction price is allocated to each distinct performance obligation, however, substantially all of the Organization's agreements have only a single performance obligation. The Organization does not allow any returns or refunds of sold items due to the nature of the goods sold.

The Organization's policy is to present taxes collected from customers and remitted to governmental authorities on a net basis. The Organization records the amounts collected as a current liability and relieves such liability upon remittance to the taxing authority without impacting revenues or expenses.

Revenue Recognition - Contributions and Grants

The Organization recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restriction.

The Organization presents cash received related to conditional grants where the conditions have not yet been met as deferred grant revenue and refundable advance on the statements of financial position. Deferred grant revenue totaled \$33,875 and \$26,000 at December 31, 2020 and 2019, respectively. The refundable advance, solely related to the Paycheck Protection Program, see Note 4, and is also a conditional grant.

In-Kind Contributions

As part of its operations, Zaman receives donations of food, clothing and household items. When appropriate, Zaman provides these items to program participants as part of Zaman's program activities. At the time the goods are provided to a program participant, Zaman records the donated items as in-kind program contributions at an estimate of their thrift shop value and a corresponding expense for assistance provided to program participants.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such services totaled \$179,508 and \$192,435 for the years ended December 31, 2020 and 2019, respectively, and are reflected in in-kind contributions of services in the statement of activities.

Donated services are recorded as contributions when the services performed either improve the property owned by the Organization or require specialized skills that Zaman would otherwise need to purchase, are controlled by the Organization, and are clearly measurable at their estimated fair values at the date of receipt.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes.

The Organization follows guidance included in an accounting standard related to the accounting for uncertainty in income taxes. The tax effects from an uncertain tax position can be recognized in the financial statements, only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized, upon ultimate settlement with the relevant tax authority.

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

The Organization's policy is to recognize interest and penalties related to income tax issues as components of income tax expense. During the years ended December 31, 2020 and 2019, the Organization did not recognize or accrue any interest or penalties.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated between programs, management and general and fundraising on various bases and estimates.

All employee costs including salaries and wages, payroll taxes, and benefits are allocated based on each employee's time spent performing program, management and fundraising activities. Expenses related to the operating premises of the Organization including utilities, maintenance and insurance are based on the square footage that each activity occupies. Administrative costs such as professional fees, advertising and office supplies are allocated based the actual time worked in the related activity. Other expenses are classified based on the nature and purpose of the transaction.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which establishes principles that require a lessee to recognize a lease asset and a lease liability for those leases classified as operating leases under previous accounting principles generally accepted in the United States of America. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2021 (2022). The Organization is currently assessing the effect that ASU No. 2016-02 will have on their results of operations, financial position and cash flows.

During September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021 (2022).

Subsequent Events

The Organization has evaluated events through October 13, 2021, which is the date the financial statements were approved and available to be issued.

Zaman International

Notes to Financial Statements
December 31, 2020 and 2019

2. Property and Equipment, Net

Property and equipment, net is as follows:

	<u>Useful Lives</u>	<u>2020</u>	<u>2019</u>
Land	N/A	\$ 77,000	\$ 77,000
Land improvements	10 - 15 years	31,746	31,746
Building	30 years	454,852	454,852
Building improvements	7 - 30 years	396,766	396,766
Furniture and equipment	5 - 7 years	406,161	414,473
Vehicles	3 years	105,689	109,689
Construction in progress	N/A	<u>132,666</u>	<u>-</u>
Total		1,604,880	1,484,526
Less accumulated depreciation		<u>(452,737)</u>	<u>(354,903)</u>
Total		<u>\$ 1,152,143</u>	<u>\$ 1,129,623</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$110,146 and \$101,366, respectively. Construction in progress at December 31, 2020 is related to a kitchen improvement project expected to be completed in 2021.

3. Debt

Debt includes:

	<u>2020</u>	<u>2019</u>
Mortgage note payable in the amount of \$350,000. The note requires monthly installments of \$2,789, including interest at 5.04 percent, through May 22, 2034. The note is secured by the building in Inkster, Michigan.	\$ 324,413	\$ 340,847
Vehicle installment loan payable in the amount of \$19,510, payable in 36 monthly installments of \$607 including interest at 7.34 percent, secured by vehicle purchased.	<u>8,114</u>	<u>14,524</u>
Total	332,527	355,371
Debt issuance costs, net of amortization	<u>(3,444)</u>	<u>(3,700)</u>
Total debt payable	329,083	351,671
Less current portion	<u>24,580</u>	<u>22,845</u>
Long-term portion	<u>\$ 304,503</u>	<u>\$ 328,826</u>

Scheduled principal repayments on debt at December 31, 2020 are as follows:

Year ending December 31:

2021	\$	24,580
2022		19,025
2023		19,149
2024		20,112
2025		21,203
Thereafter		<u>228,458</u>
	\$	<u><u>332,527</u></u>

In 2019, the Organization incurred debt issuance costs related to its long-term debt. These costs are netted against the mortgage principal balance for presentation on the accompanying statements of financial position. These costs are being amortized over the life of the related debt, which expires in 2034. Amortization of debt costs totaled \$256 and \$150 for the years ended December 31, 2020 and 2019, respectively, and are included in interest expense in the statements of functional expenses.

4. Note payable (PPP)

On, November 17, 2020, the Organization received loan proceeds in the amount of \$182,856 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over 2 years if issued before, or 5 years if issued after, June 5, 2020 at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. The Organization may request to repay the loan over five years and the request is subject to the approval of the lender. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties.

The Organization met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during 2021. When legal release is received, the Organization will record the amount forgiven as forgiveness income within its statement of activities. If any portion of the Organization's PPP loan is not forgiven, the Organization will be required to repay that portion, plus interest, over 2 years in installments with the repayment term beginning at the time that the SBA remits the amount forgiven to the Organization's lender. In August 2021, the Organization received legal release from the SBA, and therefore, will record the amount forgiven, \$182,856, as forgiveness income in its 2021 statement of activities.

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The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan or repaid in full and to provide that documentation to the SBA upon request. The Organization does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.

5. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Water well project	\$ 250	\$ 750
Orphans-local	5,569	3,668
Orphans-international	947	3,686
International relief	5,169	9,928
Lebanon Ask	4,305	-
Tithing and donations	1,203	577
Ford Fund - Backpack program	-	20,000
Impact 100	-	52,700
Islamic relief fund - culinary	-	9,428
CANS for the Kitchen	-	3,970
Kitchen donations	-	100,000
DMC	50,000	-
IRUSA	100,000	-
UW - Summer (MUEU)	22,398	-
	<u>189,841</u>	<u>204,707</u>
Total	<u>\$ 189,841</u>	<u>\$ 204,707</u>

6. Related Party Transactions

During the years ended December 31, 2020 and 2019, the Organization received contributions from related parties who are members of the Board. Related party contributions during 2020 and 2019 totaled \$37,400 and \$48,593, respectively, which represented approximately 2 percent and 3 percent of total contributions for each year, respectively.

7. Line of Credit

The Organization has a revolving line of credit from a bank totaling \$100,000 at December 31, 2020 and 2019, which bears interest at a fixed rate of 2.95 percent plus the current prime rate (3.25 percent and 4.75 percent at December 31, 2020 and 2019, respectively). The Organization has not made any draws as of December 31, 2020 and 2019.

8. Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditure such as operating expenses, scheduled principal payments on debt, and fixed asset additions are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,147,858	\$ 531,978
Accounts and grants receivable	<u>55,896</u>	<u>92,267</u>
Financial assets at year-end	1,203,754	624,245
Less those unavailable for general expenditures within one year, due to donor and time restrictions	<u>(189,841)</u>	<u>(204,707)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,013,913</u>	<u>\$ 419,538</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$100,000, of which there was no outstanding balance as of December 31, 2020 or 2019.