MIRACLES FOR KIDS AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020

HCVT
HOLTHOUSE | CARLIN | VAN TRIGT LLP

MIRACLES FOR KIDS AND AFFILIATE
TABLE OF CONTENTS
DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Miracles for Kids:

We have audited the accompanying consolidated financial statements of Miracles for Kids (a non-profit organization) and its affiliate (collectively the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Holthouse Carlin & Van Trigt LLP

Irvine, California
August 6, 2021

MIRACLES FOR KIDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31,		2020
ASSETS		
Current assets:		
Cash and cash equivalents	$	1,518,654
Pledges receivable		252,277
Pledges receivable - related party		108,972
Prepaid expenses and other current assets		34,930
Total current assets		1,914,833
Property, net		380,525
Pledges receivable, net of current portion and discount		84,297
Pledges receivable - related party, net of current portion and discount		404,073
Right-of-use asset		2,750,412
Other assets		111,820
Total assets	$	5,645,960
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$	47,475
Accrued expenses and other current liabilities		95,215
Total current liabilities		142,690
Lease liability		2,831,599
Total liabilities		2,974,289
Commitments and contingencies (see Notes)		
Net assets without donor restrictions - Miracle Manor, LLC		24,990
Net assets		
Without donor restrictions		2,646,681
Total net assets		2,671,671
Total liabilities and net assets	$	5,645,960

See accompanying notes to consolidated financial statements.

MIRACLES FOR KIDS
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,				2020
Support, revenue, gains and losses - without donor restrictions				
Contributions - individuals			$	367,720
Contributions - corporations and foundations				478,934
Contributions - Miracle Manor capital campaign				164,553
Grants - corporations				149,500
Donated services				681,772
Special event revenue	$	1,832,339		
Less: direct cost of benefits provided to donors		(372,569)		1,459,770
Rental income, net of concessions of $218,963				101,600
Grant revenue - PPP Loan Forgiveness				160,900
Miscellaneous income, gains and losses				(3,817)
Total support, revenue, gains and losses - without donor restrictions				3,560,932
Expenses:				
Program services				2,497,225
Supporting services:				
Management and general				582,754
Fundraising				449,158
Subtotal supporting services				1,031,912
Total expenses				3,529,137
Change in net assets without donor restrictions				31,795
Net assets without donor restrictions - beginning of the year				2,639,876
Net assets without donor restrictions - end of the year			$	2,671,671

See accompanying notes to consolidated financial statements.

MIRACLES FOR KIDS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	Program Services				Supporting Services			
FOR THE YEAR ENDED DECEMBER 31, 2020	**Grants**	**Housing**	**Wellness and Support**	**Subtotal**	**Management and General**	**Fundraising**	**Subtotal**	**Total**
Salaries, benefits, and taxes	$ 431,751	$ 143,917	$ 23,986	$ 599,654	$ 140,476	$ 321,480	$ 461,956	$ 1,061,610
Occupancy	61,111	532,063	17,417	610,591	52,252	34,835	87,087	697,678
Grants	834,648	-	-	834,648	-	-	-	834,648
Special events - facilities, rentals, fees and other production expenses	-	-	-	-	-	372,569	372,569	372,569
Professional services	-	-	-	-	362,471	-	362,471	362,471
Insurance	5,337	1,779	297	7,413	801	1,803	2,604	10,017
Program supplies	253,113	119,918	62,770	435,801	-	-	-	435,801
Meals, travel and entertainment	6,442	2,147	358	8,947	968	2,176	3,144	12,091
Licenses, dues and other fees	21,623	7,208	1,201	30,032	3,246	7,305	10,551	40,583
Other expenses	74,063	24,688	4,112	102,863	11,235	25,022	36,257	139,120
Depreciation	53,609	17,870	2,978	74,457	8,049	18,111	26,160	100,617
Interest	8,483	2,828	471	11,782	1,274	2,866	4,140	15,922
Bank and other fees	-	-	-	-	1,982	35,560	37,542	37,542
Total expenses	$ 1,750,180	$ 852,418	$ 113,590	$ 2,716,188	$ 582,754	$ 821,727	$ 1,404,481	$ 4,120,669
Less: rental concessions granted to tenants	(218,963)	-	-	(218,963)	-	-	-	(218,963)
Less: direct costs of benefits provided to donors	-	-	-	-	-	(372,569)	(372,569)	(372,569)
Total functional expenses	$ 1,531,217	$ 852,418	$ 113,590	$ 2,497,225	$ 582,754	$ 449,158	$ 1,031,912	$ 3,529,137

See accompanying notes to consolidated financial statements.

MIRACLES FOR KIDS
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,		2020
Cash flows from operating activities:		
Change in net assets without donor restrictions	$	31,795
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation		100,617
Amortization of operating lease		62,289
Loss on disposal of property		8,564
Discount on pledges receivable		15,406
Changes in operating assets and liabilities:		
Pledges receivable		(122,939)
Prepaid expenses and other current assets		(11,705)
Other assets		(86,820)
Accounts payable		37,663
Accrued expenses and other current liabilities		6,649
Deferred revenue		(15,000)
Net cash provided by operating activities		26,519
Cash flows from investing activities:		
Purchases on property		(452,447)
Cash used in investing activities		(452,447)
Net change in cash and cash equivalents		(425,928)
Cash and cash equivalents at beginning of year		1,944,582
Cash and cash equivalents at end of year	$	1,518,654
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$	15,921
Non-cash investing and financing activities:		
Right-of-use asset acquired through operating lease	$	414,516

See accompanying notes to consolidated financial statements.

1. ORGANIZATION AND NATURE OF BUSINESS

Miracles for Kids (the Organization) helps families with critically-ill children battle bankruptcy, homelessness, hunger and depression so they can concentrate on what is most important – fighting for their child's life. As one of the only organizations on the West Coast dedicated to alleviating these stressors, Miracles for Kids' focuses on helping through its major programs:

- ***Grants Program*** Monthly grants pay rent, help keep the lights on, food on the table, the water running and so much more.
- ***Housing Program*** Families at risk of homelessness have an affordable and safe place to call home with Miracle Manor, a 12-unit apartment complex located in Orange County, CA, only a few blocks away from Children's Hospital of Orange County (CHOC).
- ***Wellness and Basic Needs Program***
    - Mental health services, educational sessions and outdoor wellness activities help families better cope with trauma and stress associated with life-threatening diseases.
    - The Basket of Miracles and Box of Miracles programs help provide food, clothing, home goods, and other essential items to ensure families in crisis are getting necessities.

These programs serve families living at or near the poverty level, with a critically-ill child in treatment at one of the four leading children's hospitals: CHOC, Children's Hospital Los Angeles, Mattel Children's Hospital UCLA, and UCSF Benioff Children's Hospital in the Bay Area. The monthly financial assistance, subsidized housing, mental health services and wellness activities provided by Miracles for Kids help to create stability when families are crumbling from the financial and emotional devastation of fighting for their child's life.

In 2020, Miracles for Kids assisted 335 children fighting over 133 unique illnesses. Although nearly one-half of the patients served have been diagnosed with a type of pediatric cancer, the remaining patients have blood-based diseases and rare medical conditions where few, if any, support services are available. Specific support in 2020 included:

- Monthly financial assistance to 283 families
- Stable, subsidized housing at Miracle Manor for 18 families
- Mental health services, educational sessional and wellness activities to more than 150 individuals
- Basic needs assistance to 336 families

Based in Southern California, Miracles for Kids was founded in 2002 and incorporated in California as a nonprofit organization. The organization continues to advance its mission through the leadership of the Co-Founder and Chief Executive Officer, Autumn Strier, and a team of 18 employees. They operate a main office in Irvine, CA and a subsidized housing complex, Miracle Manor, in Orange, CA. To learn more about how Miracles for Kids has joined forces with parents and loved ones, visit miraclesforkids.org.

Miracle Manor, LLC Miracle Manor, LLC (Miracle Manor), formed on December 18, 2014, was originally formed to own and operate a 12-unit apartment complex used to provide subsidized housing to families with critically-ill children. The housing program was operated by Miracles for Kids, which is the sole member of the Subsidiary. Miracles for Kids and Miracle Manor are collectively the "Organization." During 2019, Miracle Manor sold all of its property and is in the process of being dissolved.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The Organization maintains its accounting records under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (US GAAP).

Principles of Consolidation The consolidated financial statements include the accounts of Miracles for Kids and Miracle Manor. All significant intercompany accounts and transactions have been eliminated in consolidation.

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

- *With Donor Restrictions* Resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources must be maintained in perpetuity. When a donor restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

- *Without Donor Restrictions* Net assets available to support operations and not subject to donor-imposed stipulations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specific in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Functional Allocation of Expenses The consolidated statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation and amortization (allocated on a square footage basis), as well as wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other (all of which are allocated on the basis of estimates of time and effort).

The allocation methodology is periodically reviewed by management for relevancy and accuracy.

The functional classifications are defined as follows:

- Program expenses consist of costs incurred in connection with providing services and conducting programs.

- Management and general expenses consist of costs incurred in connection with the overall activities, which are not allocable to another functional expense category.

- Fundraising expenses consist of costs incurred in connection with activities related to obtaining grants and activities designed to generate revenue.

Use of Estimates In preparing consolidated financial statements in conformity with US GAAP, management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates include the collectability of pledges receivable and the allocation of functional expenses during the year ended December 31, 2020. Actual results could differ from those estimates.

Cash and Cash Equivalents Cash and cash equivalents consist primarily of cash on hand and short term investments, which mature within three months from the date of original purchase. The Organization did not have any cash equivalents as of December 31, 2020.

Concentration of Business and Credit Risk The Organization maintains cash balances in excess of the Federal Deposit Insurance Corporation insurance limit. The Organization has not experienced any losses in these accounts and does not believe it is exposed to significant credit risk with respect to cash at December 31, 2020.

The Organization had two donors that accounted for approximately 49% of its pledges receivable as of December 31, 2020. The Organization had no donors or grants that accounted for more than 10% of revenues for the year ended December 31, 2020.

Advertising Costs Advertising costs are charged to expense as incurred. Total advertising costs for the year ended December 31, 2020 was $81,015.

Property Property consists of long-lived assets of the Organization acquired for use in the Organization's normal business operations and are not intended for resale. These assets are recorded at cost, net of accumulated depreciation. Renewals and betterments that increase the useful lives of the assets are capitalized. Repair and maintenance expenditures are expensed as incurred. Cost and accumulated depreciation applicable to assets retired or otherwise disposed of are eliminated from the accounts, and any gain or loss on such dispositions are reflected in the consolidated statement of activities and change in net assets.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Description	**Years**
Office furniture and fixtures	10
Computers and other equipment	5
Leasehold Improvements	2 - 3
Software	5

Donations of property are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization reviews its property for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recovered. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended December 31, 2020.

Contributions and Pledges Receivable Unconditional contributions are recorded at estimated fair value and are recognized as revenue in the period received. The Organization reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions or unconditional promises to give with payments due in future periods are discounted to present value and reported as donor-restricted revenue. 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 substantially met.

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance as of December 31, 2020.

Leases The Organization accounts for its leases under Accounting Standards Codification (ASC) 842, *Leases* (ASC 842). ASC 842 requires the recognition of right-of-use (ROU) assets and lease liabilities for leases classified as operating leases. ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the future minimum lease payments over the lease term. When the rate implicit in the lease is not determinable, ASC 842 prescribes the use of the Organization's incremental borrowing rate at the commencement date of the lease to determine the present value of the minimum lease payments. The Organization elected the practical expedient allowing the use of the risk-free discount rate in lieu of their incremental borrowing rate at the commencement date of the lease. ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs plus any prepayments less any unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates, and the presence of factors that would cause a significant economic penalty to the Organization if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term and is included in occupancy expenses in the accompanying consolidated statement of functional expenses.

For finance leases, after lease commencement the lease liability is measured on an amortized cost basis and increased to reflect interest on the liability and decreased to reflect the lease payments made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant period discount rate on the remaining balance of the liability. The ROU asset is subsequently measured at cost, less any accumulated amortization and any accumulated impairment losses. Amortization of the ROU asset is recognized over the period from the commencement date to the earlier of (1) the end of the useful life of the ROU asset, or (2) the end of the lease term.

The Organization has elected not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. Differences between variable lease payments included in the measurement of lease liabilities and actual payments are recognized during the period in which they are incurred. Variable lease payments were immaterial for the year ended December 31, 2020. The expense associated with both short-term and variable leases is immaterial and is included in general and administrative expenses on the accompanying consolidated statement of functional expenses.

To the extent a lease arrangement includes both lease and non-lease components, the components are accounted for separately. The transaction price is allocated to the lease and non-lease components based on a relative stand-alone price basis.

Donated Supplies, Facilities and Services Donated noncash assets, such as use of facilities and supplies, are recorded at their fair values in the period received. Contributed goods consist primarily of silent auction items and supplies, such as clothing, cleaning, and personal hygiene necessities, which are used in the Organization's programs at the time of donation. The use of contributed goods are recorded in the functional expense classification for the program in which the goods were used. As of December 31, 2020, the Organization had approximately $73,000 in remaining contributed inventory which is included in other assets in the accompanying consolidated statement of financial position.

Donations of services are recognized in the consolidated financial statements if the services received: (1) create or enhance nonfinancial assets or require specialized skills; (2) are provided by individuals possessing those skills; and (3) would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the accompanying consolidated financial statement as there is no objective basis for deriving their value. Donated services of $681,772 for the year ended December 31, 2020 have been recorded as both contributions and program expenses and represent the approximate fair value of attorneys, website developers, construction contractors and other specialized skills provided by individuals possessing these skills, and would typically need to be purchased, if not provided.

Pledges Payable Pledges to other organizations are recognized when the Organization makes a promise to give that is, in substance, unconditional. Such pledges that are authorized but unpaid as of the end of the year are recognized as liabilities. Unconditional promises to give that are expected to be paid in more than one year are recorded at the present value of the future cash flows. The discounts on those amounts are recorded using risk-free interest rates applicable to those years in which the promises are received. There were no pledges payable at December 31, 2020.

Income Taxes The Organization is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Organization does not have any income, which management believes would subject the Organization to unrelated business income taxes. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and there are no other tax positions which must be considered for disclosure. The Organization is required to file tax returns with the Internal Revenue Service (IRS) and other state taxing authorities. With few exceptions, the Organization is no longer subject to income tax examinations by tax authorities for fiscal years before 2016. There are no current tax examinations pending.

No provision for income taxes has been made for the consolidated LLC (Miracle Manor) as any income or loss is included in the tax returns of the member and there are no other tax positions which must be considered for disclosure. The federal tax status as a pass-through entity is based on its legal status as an LLC. Miracle Manor is required to file tax returns with the IRS and other taxing authorities and is required to pay an $800 fee to the California Franchise Tax Board. With few exceptions, Miracle Manor is no longer subject to income tax examinations by tax authorities for years before 2016. There are no current tax examinations pending.

3. PROPERTY

Property consists of the following:

As of December 31, 2020		**Amount**
Office furniture and fixtures	$	103,904
Computers and other equipment		104,820
Leasehold Improvements		254,347
Software		50,000
Total property		513,071
Less: accumulated depreciation		(132,546)
Property, net	$	380,525

Depreciation expense related to property amounted to $100,617 for the year ended December 31, 2020.

4. PLEDGES RECEIVABLE

Pledges receivable include pledges that have been discounted at rates ranging from 0.16% to 2.45%. The following is a summary of the Organization's pledges receivable:

As of December 31, 2020		**Amount**
Total amounts due in:		
One year	$	252,277
Two to five years		85,421
Total pledges receivable		337,698
Less: discount to present value		(1,124)
Pledges receivable, net	$	336,574

5. RELATED PARTY TRANSACTIONS

Pledge Receivable – Related Party During September 2012, the Organization received a pledge for $600,000 from PersonalCare Physicians to secure naming rights on behalf of the Organization, as well as, for use for programs and events in support of patients and their families at CHOC Children's Miracles for Kids Family Resource Center. A board member of the Organization was the Chief Executive Officer of PersonalCare Physicians at the time of the pledge. The terms of the pledge require equal annual payments over ten years beginning in April, 2013. The Organization applied a discount rate of 3.25% per year based on the Wall Street Journal Prime Rate at the date of the pledge. On February 2, 2018, PersonalCare Physicians was sold to Hoag Clinic, a wholly owned subsidiary of Hoag Memorial Hospital. As part of the Asset Purchase Agreement, Hoag assumed the remaining liability of the pledge. The remaining pledge receivable was $303,333 as of December 31, 2020.

In addition, the Organization has received pledges from various other related parties, including members of the board of directors, due through 2025. Pledges receivable from other related parties totaled $209,712 as of December 31, 2020.

Future pledges receivables from related parties to be collected are as follows:

Years Ending December 31,		**Amount**
2021	$	108,972
2022		100,972
2023		115,971
2024		107,655
2025		100,631
Total pledges receivable – related party		534,201
Less: discount		(21,156)
Pledges receivable – related party, net	$	513,045

Related Party Contributions During 2020, the Organization received approximately $230,868 in contributions from board members.

6. COMMITMENTS AND CONTINGENCIES

Miracle Manor Master Lease Effective June 15, 2019, the Organization entered into the Master Lease with an unrelated party. The Master Lease requires base monthly rent of $22,917, escalating annually, for a term of 10 years with an option to extend for 2 consecutive 5-year periods. Under ASC 842, the Master Lease is classified as an operating lease and a ROU asset of $2,449,939 and lease liability of $2,506,198 were recorded as of December 31, 2020.

Office Leases During 2019, the Organization leased office space for the Tustin corporate office (Tustin Lease). The Tustin Lease required monthly payments of approximately $5,300 and was terminated in March 2020 when the Organization moved into its new corporate office space.

In January 2020, the Organization entered into a new facility lease for 3 years under a non-cancellable operating lease, commencing in March 2020 (Office Lease). Base monthly rent consists of monthly payments of approximately $12,000, increasing annually, and the Organization received lease incentives of approximately $30,000 in 2020. Under ASC 842, the Office Lease is classified as an operating lease and a ROU asset of $300,473 and lease liability of $325,401 were recorded as of December 31, 2020.

Operating lease expenses for the year ended December 31, 2020 were approximately $443,000.

Future minimum payments on the Organization's operating leases as of December 31, 2020 are as follows:

Years Ending December 31,		**Amount**
2021	$	436,678
2022		449,566
2023		330,702
2024		314,160
2025		323,586
Thereafter		1,209,576
Total	$	3,064,268

Litigation In the ordinary course of doing business, the Organization, from time to time, becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the Organization which may have an impact on changes in net assets. The Organization does not believe that these proceedings, individually or in the aggregate, would have a material effect on the accompanying consolidated financial statements.

COVID-19 Pandemic During 2020, the COVID-19 pandemic continued to rapidly evolve. Mandates from federal, state and/or local authorities to mitigate the spread of the virus have adversely impacted global commercial activity and contributed to significant volatility in financial markets. As a result, the Organization provided additional rental support to tenants of Miracle Manor in the form of grants for rental concessions of approximately $219,000. Otherwise, the pandemic to date has not had a significant impact on the operations of the Organization. Its duration, severity and the potential impact on the general population, the Organization's Miracle Manor tenants, the onsite personnel, and the ability to reach expected contribution levels, are among the many unknowns and could materially impact the future results of operations, financial condition, liquidity, and overall performance of the Organization.

Paycheck Protection Program In April 2020, the Organization entered into a promissory note agreement with SunAmerica Bank in connection with the Paycheck Protection Program ("PPP") set forth in Sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act. The loan amount of $160,900 bears interest at the rate of 1.00% per annum and has a maturity date of two years from the funding date of the loan. Under the PPP, certain amounts may be forgiven by the lender under the direction of the administrator of the Small Business Administration so long as the requirements of the PPP for forgiveness are satisfied. The Organization applied for full forgiveness of the PPP loan, which was received in December 2020. As a result, $160,900 has been reflected as grant revenue in the accompanying consolidated statement of activities and change in net assets for the year ended December 31, 2020.

7. LIQUIDITY AND AVAILABILITY

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets without donor restrictions or other restrictions limiting their use that can be readily made available within one year of the consolidated statement of financial position date, comprise the following:

At December 31, 2020		**Amount**
Financial assets at year end:		
Cash and cash equivalents	$	1,518,654
Pledges receivable		252,277
Pledges receivable – related party		108,972
Financial assets available to meet general expenditures within one year	$	1,879,903

As part of its policy to manage liquidity and availability, the Organization holds in its operating checking account a balance equal to at least three months of operating expenses that can be readily liquidated to pay for operating needs.

Short-term pledges receivable consist of unconditional promises to give expected to be received within one year from December 31, 2020. Unrestricted short-term pledges receivable will be available to support general operations of the Organization.

8. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events that have occurred from January 1, 2021 through the date of the independent auditor's report, which is the date that the consolidated financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the consolidated financial statements.