

EASTSIDE BABY CORNER
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2018 AND 2017



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Eastside Baby Corner
Issaquah, Washington

We have audited the accompanying financial statements of Eastside Baby Corner (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 auditor's 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 Eastside Baby Corner as of December 31, 2018 and 2017, 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.

Jones & Associates PLLC, CPAs

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June 27, 2019

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**EASTSIDE BABY CORNER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 227,980	\$ 303,945
Promises to give, net of allowance	57,452	16,598
Government grants receivable	33,482	-
Other assets	20,761	34,097
Inventory for distribution	882,632	892,032
Total current assets	1,222,307	1,246,672
Investments	115,429	170,315
Property and equipment, net	220,780	193,942
	\$ 1,558,516	\$ 1,610,929
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 11,629	\$ 20,447
Accrued expenses	46,789	33,218
Total current liabilities	58,418	53,665
NET ASSETS		
Without donor restrictions - undesignated	1,324,268	1,311,576
Without donor restrictions - Board designated	115,429	170,315
	1,439,697	1,481,891
With donor restrictions	60,401	75,373
Total net assets	1,500,098	1,557,264
	\$ 1,558,516	\$ 1,610,929

**EASTSIDE BABY CORNER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Total	Without Donor Restrictions		With Donor Restrictions
		Undesignated	Board Designated	
SUPPORT AND REVENUE				
Contributions	\$ 608,318	\$ 493,946	\$ -	\$ 114,372
Special events, net	248,641	248,641	-	-
Government grants	256,775	256,775	-	-
Donated use of space and other goods	133,196	133,196	-	-
Investment return	(4,796)	90	(4,886)	-
Other revenue	2,938	2,938	-	-
	<u>1,245,072</u>	<u>1,135,586</u>	<u>(4,886)</u>	<u>114,372</u>
Net assets released from restrictions	-	129,344	-	(129,344)
Transfers of board designated funds	-	50,000	(50,000)	-
Total support and revenue	<u>1,245,072</u>	<u>1,314,930</u>	<u>(54,886)</u>	<u>(14,972)</u>
EXPENSES				
Program services	495,270	495,270	-	-
Management and general	197,645	197,645	-	-
Fundraising	355,465	355,465	-	-
Total expenses	<u>1,048,380</u>	<u>1,048,380</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS BEFORE PRODUCTS FOR KIDS REVENUE AND EXPENSE	196,692	266,550	(54,886)	(14,972)
PRODUCTS FOR KIDS REVENUE AND EXPENSE				
Contributions, in-kind products for kids	5,146,820	5,146,820	-	-
Distributions, products for kids	(5,400,678)	(5,400,678)	-	-
Net products for kids	<u>(253,858)</u>	<u>(253,858)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(57,166)	12,692	(54,886)	(14,972)
NET ASSETS				
Beginning of the year	<u>1,557,264</u>	<u>1,311,576</u>	<u>170,315</u>	<u>75,373</u>
End of the year	<u>\$ 1,500,098</u>	<u>\$ 1,324,268</u>	<u>\$ 115,429</u>	<u>\$ 60,401</u>

**EASTSIDE BABY CORNER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	Total	Without Donor Restrictions		With Donor Restrictions
		Undesignated	Board Designated	
SUPPORT AND REVENUE				
Contributions	\$ 584,205	\$ 472,693	\$ -	\$ 111,512
Special events, net	324,012	324,012	-	-
Government grants	97,875	97,875	-	-
Donated use of space and services	121,590	121,590	-	-
Investment return	18,467	18,467	-	-
Other revenue	14,622	14,622	-	-
	<u>1,160,771</u>	<u>1,049,259</u>	<u>-</u>	<u>111,512</u>
Net assets released from restrictions	-	71,310	-	(71,310)
Transfers of board designated funds	-	250,631	(250,631)	-
Total support and revenue	<u>1,160,771</u>	<u>1,371,200</u>	<u>(250,631)</u>	<u>40,202</u>
EXPENSES				
Program services	401,606	401,606	-	-
Management and general	203,399	203,399	-	-
Fundraising	336,709	336,709	-	-
Total expenses	<u>941,714</u>	<u>941,714</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS BEFORE PRODUCTS FOR KIDS REVENUE AND EXPENSE	219,057	429,486	(250,631)	40,202
PRODUCTS FOR KIDS REVENUE AND EXPENSE				
Contributions, in-kind products for kids	5,463,394	5,463,394	-	-
Distributions, products for kids	(6,195,136)	(6,195,136)	-	-
Change in estimated value of clothing inventory	(559,654)	(559,654)	-	-
Net products for kids	<u>(1,291,396)</u>	<u>(1,291,396)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(1,072,339)	(861,910)	(250,631)	40,202
NET ASSETS				
Beginning of the year	<u>2,629,603</u>	<u>2,173,486</u>	<u>420,946</u>	<u>35,171</u>
End of the year	<u>\$ 1,557,264</u>	<u>\$ 1,311,576</u>	<u>\$ 170,315</u>	<u>\$ 75,373</u>

**EASTSIDE BABY CORNER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 186,696	\$ 130,989	\$ 257,759	\$ 575,444
Payroll taxes and benefits	22,456	15,619	28,378	66,453
	209,152	146,608	286,137	641,897
Occupancy	206,910	6,279	12,736	225,925
Professional services	26,199	18,931	8,126	53,256
Office expense	2,856	7,992	18,009	28,857
Depreciation	17,897	1,206	1,464	20,567
Software	9,595	661	5,068	15,324
Miscellaneous	6,069	5,562	2,132	13,763
Supplies	5,462	3,559	3,832	12,853
Events	-	-	12,710	12,710
Conferences and travel	4,640	1,541	1,337	7,518
Equipment	5,519	1,189	-	6,708
Insurance	971	4,117	-	5,088
Publications and events	-	-	3,914	3,914
Total expenses, excluding products for kids distribution and special event direct donor benefit	495,270	197,645	355,465	1,048,380
Distributions, products for kids	5,400,678	-	-	5,400,678
Direct donor benefit	-	-	62,245	62,245
Total expenses	5,895,948	197,645	417,710	6,511,303

**EASTSIDE BABY CORNER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 143,066	\$ 120,082	\$ 233,787	\$ 496,935
Payroll taxes	15,802	11,359	23,899	51,060
	158,868	131,441	257,686	547,995
Occupancy	200,627	5,832	10,237	216,696
Professional services	10,422	19,342	5,857	35,621
Office expense	1,418	10,833	22,443	34,694
Depreciation	6,037	835	861	7,733
Software	6,808	538	2,960	10,306
Miscellaneous	3,165	4,420	2,986	10,571
Supplies	10,180	1,877	1,625	13,682
Events	-	-	22,108	22,108
Conferences and travel	3,376	2,335	1,360	7,071
Equipment	-	21,076	2,453	23,529
Insurance	530	3,764	-	4,294
Publications and events	74	46	5,997	6,117
Marketing and advertising	101	1,060	136	1,297
Total expenses, excluding products for kids distribution and special event direct donor benefit	401,606	203,399	336,709	941,714
Change in estimated value of clothing inventory	559,654	-	-	559,654
Distributions, products for kids	6,195,136	-	-	6,195,136
Direct donor benefit	-	-	59,357	59,357
Total expenses	<u>\$ 7,156,396</u>	<u>\$ 203,399</u>	<u>\$ 396,066</u>	<u>\$ 7,755,861</u>

**EASTSIDE BABY CORNER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions and government grants	\$ 1,039,398	\$ 1,064,722
Cash received from investments and other	3,028	22,571
Cash paid to employees and suppliers	(1,120,986)	(1,191,070)
	(78,560)	(103,777)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(47,405)	(48,285)
Purchase of investments	-	(10,804)
Proceeds from sale of investments	50,000	6,800
	2,595	(52,289)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(75,965)	(156,066)
 CASH AND CASH EQUIVALENTS		
Beginning of the year	303,945	460,011
End of the year	\$ 227,980	\$ 303,945

EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – Eastside Baby Corner (the Organization or EBC) is a nonprofit organization headquartered in Issaquah, Washington.

In 2018, the lives of 12,400 babies and children (unduplicated) in our area were changed by giving them the tangible goods that reduce the stress of living in poverty, promote their health and well-being, and prepare them for success in school and life.

EBC strengthens families, builds resiliency in children, reduces inequities, and creates stronger communities through our mission of helping kids reach their full potential tomorrow by meeting basic needs today. We provide concrete assistance at no cost to families who are in difficulty, reducing the distress felt by children, and their parents.

Through partnerships with human service organizations, schools, and medical facilities, more than 1,500 children each month are helped. Kids have the stress of living in poverty reduced, their healthy development promoted, and they are better prepared for success in school and life. Partner agencies can concentrate their resources and expertise on supporting families, increasing their opportunities for success. Parents and caregivers have what they need to care for their families.

At EBC, members of the community connect with each other while caring for their neighbors. They donate goods, volunteer, or give financial support to make sure kids are getting what they need, when they need it. Founded in 1990, EBC annually distributes nearly 95,000 items for kids in King, south Snohomish, Kitsap, and west Pierce Counties. What EBC does seems simple, but the goods families receive relieves stress, reduces financial burdens, and provides the support caregivers need to ensure the safety and well-being of their children.

Basis of Accounting and Presentation – The financial statements of the Organization have been prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated certain otherwise net assets without donor restrictions as a Board designated operating reserve fund. These funds are approved by the Board to be held for specific purposes and require Board approval to designate for any other purpose.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no perpetually restricted net assets at December 31, 2018 and 2017.

EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At December 31, 2018 and 2017, cash and cash equivalents consist of checking and savings accounts. At times, cash and cash equivalents may exceed federally insured limits. The Organization has not experienced a loss due to this risk.

Promises to Give – Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance or directly to bad debt expense.

Government Grants Receivable – Government grants receivable consist of amounts due from governmental contracts earned. All balances are unsecured and expected to be collected within the next fiscal year. No allowance for uncollectible balances has been established by management based upon the Organization’s historical experience in the collection of balances due.

Inventory, Revenue and Expense – Inventory for distribution consists of new and used clothing and equipment for children and babies, and is recognized at estimated fair value. Purchased inventory is used to supplement donated goods inventory and is recorded at the date of purchase. Purchased inventory at December 31, 2018 and 2017 was estimated to be approximately \$126,000 and \$220,000, respectively. In 2017, a change in the estimated value of certain clothing inventory resulted in a \$559,654 decrease in the inventory total and is presented separately in the accompanying statement of activities.

Investments – The Organization carries investments with readily determinable fair values at their fair values in the statements of financial position. Investment return is included in the accompanying statements of activities.

Fair Value Measurements – Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards establish a hierarchy for measuring fair value that gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices for identical assets or liabilities in active markets.

- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or other inputs that can be corroborated by observable market data.

- Level 3 Inputs that are not observable that reflect management’s assumptions and estimates.

EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (continued) – Fair value measurements apply to the Organization's investments in money market and mutual funds, which are all classified within level 1 of the fair value hierarchy.

Property and Equipment – Property and equipment is carried at cost. Depreciation is computed using the straight-line method over a period of five to fifteen years. The Organization follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of \$1,000 that provide future benefits over a period longer than one year.

Revenue Recognition – Contributions and special events are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a stipulated time restriction ends or purpose restriction is accomplished, 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 restriction. Contributions with donor restrictions for the purchase of property and equipment are released from restriction when the property and equipment is placed in service.

Government grants revenue are recognized in the period in which the related contractual activity is performed.

In-Kind Contributions – The Organization receives in-kind contributions of inventory, use of space and services. Donated goods are recorded at fair value when received. Contributions of use of space are recognized on a monthly basis when the lease is a month to month lease, and recognized when promised for a long-term lease. Donated services are recognized as revenue and expenses, at fair value, if the services received (i) create or enhance nonfinancial assets or (ii) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll and related costs are allocated based on estimates of time and effort spent. Occupancy and related costs are allocated based on percentage of space used for program and other activities. Other costs are charged directly to the affected programs and supporting services.

Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement – On August 18, 2016, the FASB issued Accounting Standards update ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances the required disclosures. Significant changes include presenting only two classes of net assets; adding disclosures around liquidity and the availability of resources; and providing additional information about expenses. The Organization has adopted the ASU for the year ended December 31, 2018 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Reclassifications – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events – Subsequent events were evaluated through June 27, 2019, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date are as follows at December 31, 2018:

Financial Assets	
Cash and cash equivalents	\$ 227,980
Investments	115,429
Promises to give and government receivables	90,934
Total financial assets	<u>434,343</u>
Less those unavailable for general expenditures within one year:	
Restricted by donors with purpose restrictions	(18,396)
Board reserve fund (unavailable without Board approval)	(115,429)
Financial assets available within one year	<u><u>\$ 300,518</u></u>

The Organization's financial assets have seasonal variations during the year attributed to the timing of receipts from the major fund raising event. The Organization has an operating reserve that the governing board has dedicated with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. Distress or a liquidity need could result from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Organization could also draw upon \$100,000 of an available line of credit.

EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 3 – Promises to Give

Promises to give consist of the following at December 31:

	2018	2017
Due in one year or less	\$ 59,952	\$ 17,598
Allowance for doubtful accounts	(2,500)	(1,000)
	<u>\$ 57,452</u>	<u>\$ 16,598</u>

Note 4 – Investments

Investments consist of the following at December 31:

	2018	2017
Money market funds	\$ 390	\$ 6,831
Mutual funds:		
Emerging markets	4,462	9,544
International	7,075	12,433
Short-term investments	57,916	71,896
Small cap	22,752	34,247
Value	11,512	17,792
Index	11,322	17,572
	<u>\$ 115,429</u>	<u>\$ 170,315</u>

EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

Note 5 – Property and Equipment

Property and equipment consist of the following at December 31:

	2018	2017
Ordering system	\$ 146,621	\$ -
Equipment	23,048	19,541
Furniture and shelving	25,157	25,157
Warehouse improvements	47,612	47,612
Vehicles	42,489	-
	<u>284,927</u>	<u>92,310</u>
Less accumulated depreciation	<u>(64,147)</u>	<u>(44,989)</u>
	220,780	47,321
Ordering system work in progress	-	146,621
	<u>\$ 220,780</u>	<u>\$ 193,942</u>

Note 6 – Line of Credit

In July 2018 the Organization opened a revolving line of credit with a bank with a maximum borrowing amount of \$100,000. Interest is calculated at a rate of 2.25% over the Wall Street Journal Prime Rate, resulting in an annual rate of 6.75% at December 31, 2018. The Organization drew \$15,000 on the line of credit in September 2018 and paid back the amount in full in October 2018.

Note 7 – In-Kind Contributions

In-kind contributions consist of the following for the years ended December 31:

	2018	2017
Inventory	\$ 5,146,820	\$ 5,463,394
Use of space	120,215	112,767
Services	11,950	58
Other goods	1,031	8,765
	<u>\$ 5,280,016</u>	<u>\$ 5,584,984</u>

In-kind contributions were used for program activities. In addition to the recognized in-kind services, the Organization had over 3,000 individual volunteers provide over 30,000 volunteer hours in both 2018 and 2017. The value of these services is not recorded in the accompanying financial statements as the services do not meet the criteria for recognition under U.S. GAAP.

**EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

Note 8 – Net Assets With Donor Restrictions

Net assets with donor restrictions are donor-restricted for the following purposes at December 31:

	2018	2017
Specific goods for distribution	\$ 26,688	\$ 18,533
Staffing expansion	17,945	50,971
For use in a future year	10,000	-
Protect the kids	5,317	-
Vehicles	451	-
Technology	-	5,869
	<u>\$ 60,401</u>	<u>\$ 75,373</u>

Note 9 – Special Events Revenue

Special events revenue is shown in the statements of activities net of costs that directly benefit the donor. The net special events revenue is as follows for the years ended December 31:

	2018	2017
Gross special events revenue	\$ 310,886	\$ 383,369
Less cost of direct donor benefits	(62,245)	(59,357)
	<u>\$ 248,641</u>	<u>\$ 324,012</u>

Note 10 – Lease Commitments

The Organization leases office and warehouse space on a month to month basis under multiple separate operating leases with a company whose CEO was a board member of the Organization until September 2017. Annual rent under all of these leases was approximately \$141,100 and \$131,800 of which approximately \$105,800 and \$99,900 is provided as an in-kind donation for the years ended December 31, 2018 and 2017, respectively. The Organization also receives donated space from two unrelated entities which is valued at approximately \$14,400 and \$12,800 for the years ended December 31, 2018 and 2017, respectively.

In 2016, the Organization entered into a non-cancelable lease for warehouse space at their West Sound location. Lease expense under this lease was approximately \$22,000 for each of the years ended December 31, 2018 and 2017. The Organization will pay approximately \$5,500 on this lease before the terms ends in March 2019. Subsequent to this lease's term ending the Organization continued the lease arrangement on a month to month basis.

**EASTSIDE BABY CORNER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

Note 10 – Lease Commitments (Continued)

In 2017, the Organization entered into a non-cancellable lease for warehouse space at their Northshore location. Lease expense under this lease was approximately \$21,000 and \$18,500 for the years ended December 31, 2018 and 2017, respectively. Subsequent to this lease's term ending the Organization continued the lease arrangement on a month to month basis.

Note 11 – Concentrations

At December 31, 2018, 35% of promises to give receivable was due from a single organization. Also at December 31, 2018, 34% of government grants receivable was due from a single governmental agency.