



Interfaith CarePartners, Inc. and Affiliate

COMBINED FINANCIAL STATEMENTS

December 31, 2020 and 2019



Interfaith CarePartners, Inc. and Affiliate
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December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Interfaith CarePartners, Inc.
Houston, Texas

Opinion

We have audited the accompanying combined financial statements of Interfaith CarePartners, Inc. (a Texas non-profit corporation) and affiliate (collectively, the "Organization"), which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Carly Riggs & Ingram, L.L.C.

Houston, Texas
February 26, 2021

**Interfaith CarePartners, Inc. and Affiliate
Combined Statement of Financial Position**

<i>December 31, 2020</i>	Interfaith CarePartners, Inc.			The Acorn Foundation			Combined Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
Assets							
Cash and cash equivalents	\$ 125,897	\$ 50,000	\$ 175,897	\$ -	\$ -	\$ -	\$ 175,897
Investments	-	-	-	-	2,019,078	2,019,078	2,019,078
Promises to give	-	5,270	5,270	-	-	-	5,270
Prepaid expenses	13,449	-	13,449	-	-	-	13,449
Total assets	\$ 139,346	\$ 55,270	\$ 194,616	\$ -	\$ 2,019,078	\$ 2,019,078	\$ 2,213,694
Liabilities and net assets							
Refundable advance	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Accrued liabilities	8,597	-	8,597	-	-	-	8,597
Net assets	130,749	5,270	136,019	-	2,019,078	2,019,078	2,155,097
Total liabilities and net assets	\$ 139,346	\$ 55,270	\$ 194,616	\$ -	\$ 2,019,078	\$ 2,019,078	\$ 2,213,694

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

**Interfaith CarePartners, Inc. and Affiliate
Combined Statement of Financial Position**

<i>December 31, 2019</i>	Interfaith CarePartners, Inc.			The Acorn Foundation			Combined Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
Assets							
Cash and cash equivalents	\$ 105,155	\$ 55,000	\$ 160,155	\$ -	\$ -	\$ -	\$ 160,155
Investments	-	-	-	-	1,937,120	1,937,120	1,937,120
Promises to give	-	6,000	6,000	-	-	-	6,000
Prepaid expenses	21,459	-	21,459	-	-	-	21,459
Total assets	\$ 126,614	\$ 61,000	\$ 187,614	\$ -	\$ 1,937,120	\$ 1,937,120	\$ 2,124,734
Liabilities and net assets							
Refundable advance	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Accrued liabilities	4,070	-	4,070	-	-	-	4,070
Net assets	122,544	11,000	133,544	-	1,937,120	1,937,120	2,070,664
Total liabilities and net assets	\$ 126,614	\$ 61,000	\$ 187,614	\$ -	\$ 1,937,120	\$ 1,937,120	\$ 2,124,734

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

**Interfaith CarePartners, Inc. and Affiliate
Combined Statement of Activities**

	Interfaith CarePartners, Inc.			The Acorn Foundation			Combined Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<i>For the year ended December 31, 2020</i>							
Support and income							
Congregational Contributions	\$ 18,420	\$ 390	\$ 18,810	\$ -	\$ -	\$ -	\$ 18,810
Special events	91,440	7,770	99,210	-	-	-	99,210
Foundations	252,143	-	252,143	-	-	-	252,143
Government grants	192,800	8,750	201,550	-	-	-	201,550
Other Income	114,316	-	114,316	-	-	-	114,316
Investment return	6,983	-	6,983	-	-	-	6,983
Net assets released from donor restrictions	-	-	-	-	231,958	231,958	231,958
	22,640	(22,640)	-	150,000	(150,000)	-	-
Total support and income	698,742	(5,730)	693,012	150,000	81,958	231,958	924,970
Expenses							
Program service	731,965	-	731,965	-	-	-	731,965
Supporting services	108,572	-	108,572	-	-	-	108,572
Total expenses	840,537	-	840,537	-	-	-	840,537
Change in net assets before affiliate transactions	(141,795)	(5,730)	(147,525)	150,000	81,958	231,958	84,433
Transfer from Acorn	150,000	-	150,000	(150,000)	-	(150,000)	-
Changes in net assets	8,205	(5,730)	2,475	-	81,958	81,958	84,433
Net assets, at beginning of year	122,544	11,000	133,544	-	1,937,120	1,937,120	2,070,664
Net assets at end of year	\$ 130,749	\$ 5,270	\$ 136,019	\$ -	\$ 2,019,078	\$ 2,019,078	\$ 2,155,097

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

**Interfaith CarePartners, Inc. and Affiliate
Combined Statement of Activities**

	Interfaith CarePartners, Inc.			The Acorn Foundation			Combined Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<i>For the year ended December 31, 2019</i>							
Support and income							
Congregational Contributions	\$ 35,683	\$ -	\$ 35,683	\$ -	\$ -	\$ -	\$ 35,683
Special events	136,470	12,000	148,470	-	-	-	148,470
Foundations	356,968	-	356,968	-	-	-	356,968
Government	270,000	5,000	275,000	-	-	-	275,000
Other income	3,964	-	3,964	-	-	-	3,964
Investment return	106	-	106	-	-	-	106
Net assets released from donor restrictions	-	-	-	-	335,748	335,748	335,748
	39,676	(39,676)	-	150,000	(150,000)	-	-
Total support and income	842,867	(22,676)	820,191	150,000	185,748	335,748	1,155,939
Expenses							
Program service	815,005	-	815,005	-	-	-	815,005
Supporting services	145,230	-	145,230	5,700	-	5,700	150,930
Total expenses	960,235	-	960,235	5,700	-	5,700	965,935
Change in net assets before affiliate transactions	(117,368)	(22,676)	(140,044)	144,300	185,748	330,048	190,004
Transfer from Acorn	144,300	-	144,300	(144,300)	-	(144,300)	-
Changes in net assets	26,932	(22,676)	4,256	-	185,748	185,748	190,004
Net assets, at beginning of year	95,612	33,676	129,288	-	1,751,372	1,751,372	1,880,660
Net assets at end of year	\$ 122,544	\$ 11,000	\$ 133,544	\$ -	\$ 1,937,120	\$ 1,937,120	\$ 2,070,664

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

**Interfaith CarePartners, Inc. and Affiliate
Combined Statements of Functional Expenses**

<i>For the years ended December 31,</i>	2020			2019		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Interfaith CarePartners, Inc.:						
Salaries and employee benefits	\$ 601,775	\$ 57,592	\$ 659,367	\$ 680,164	\$ 68,322	\$ 748,486
Special events	-	3,737	3,737	-	34,997	34,997
Rent	66,274	5,763	72,037	64,902	5,514	70,416
Volunteer support	1,005	40	1,045	4,113	191	4,304
Office operations	37,156	10,238	47,394	35,066	10,853	45,919
Local mileage	2,434	416	2,850	9,957	774	10,731
Caregiver services	-	-	-	3,905	35	3,940
Travel	193	4	197	303	46	349
Office supplies	8,158	500	8,658	2,752	568	3,320
Professional education and training	4,631	912	5,543	3,660	1,309	4,969
Accounting fees	-	18,300	18,300	-	12,600	12,600
Professional services	10,339	10,385	20,724	10,183	10,021	20,204
Interest expense	-	685	685	-	-	-
Total Interfaith CarePartners, Inc.	731,965	108,572	840,537	815,005	145,230	960,235
The Acorn Foundation:						
Accounting fees	-	-	-	-	5,700	5,700
Total The Acorn Foundation	-	-	-	-	5,700	5,700
Total	\$ 731,965	\$ 108,572	\$ 840,537	\$ 815,005	\$ 150,930	\$ 965,935

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

**Interfaith CarePartners, Inc. and Affiliate
Combined Statements of Cash Flows**

<i>For the years ended December 31,</i>	2020	2019
Operating activities		
Changes in net assets	\$ 84,433	\$ 190,004
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on sale of investments	(46,233)	(423,478)
Net unrealized (gain) loss on investments	(150,857)	140,754
Changes in operating assets and liabilities:		
Promises to give	730	74,000
Prepaid expenses	8,010	1,686
Accrued liabilities	4,527	(13,563)
Net cash used in operating activities	(99,390)	(30,597)
Investing activities		
Proceeds from sale of investments	150,000	156,024
Receipts of dividends reinvested	(34,868)	(59,048)
Net cash provided by investing activities	115,132	96,976
Net change in cash and cash equivalents	15,742	66,379
Cash and cash equivalents, beginning of year	160,155	93,776
Cash and cash equivalents, end of year	\$ 175,897	\$ 160,155
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 69	\$ -

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

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 1: ORGANIZATION AND NATURE OF OPERATIONS (Unaudited)

In June 1988, the Foundation for Interfaith Research and Ministry (“FIRM”) was established as a nonprofit corporation to support research, education and service programs relating to the disciplines of theology, religious studies, pastoral care and other public service programs. In July 2000, FIRM legally amended its charter, changing its name to Interfaith CarePartners, Inc. Interfaith CarePartners, Inc.’s certificate of operation under Assumed Name of “CarePartners” became effective on June 2, 2016 for a period of ten years.

CarePartners provides life-changing programs and volunteer support services to 4,326 individuals living in Greater Houston. Its mission is to provide support, education and resources to caregivers and quality care for those living with memory loss and other challenges of aging. Our volunteer led organization partners with over 67 different faith-based congregations and nonprofit organizations. Those partnerships result in 85 Care Teams® with approximately 1,769 volunteers providing 52,796 volunteer caregiving hours to CarePartners’ mission through our four primary programs. Those volunteer hours equal an estimated \$1.44 million in free care.

Special Note: In March 2020, due to the pandemic crisis, all in person face to face programs were canceled due to the vulnerable population served. However, we were able to remain connected and engaged with our clients and volunteers in unique and innovative ways. We pivoted our traditional in-person programs to address the needs and isolation of those affected by the closures and stay at home orders. We now offer the following programs online: Common Ground, Gathering Place and Caregiver Education Events & Hot Topics. We also offer an in-home Gathering Place downloadable/printable guide, drive through Gathering Place at the host site location and drive by Gathering Place parades for clients who remain isolated at home. We continue to connect with 100% of clients and volunteers by phone/email and provide caregivers with Caregiver Activity kits that are hand delivered by volunteers and staff.

This huge pivoting of our in-person programs to an online format has allowed us to continue to serve families throughout this pandemic. Although our service delivery statistics are smaller than previous years as a result of COVID-19, the accomplishments of our staff and volunteers during the pandemic made a huge impact on the lives of caregivers and their loved ones.

There are four primary programs that address the needs of the people we serve: Gathering Place, Second Family, Common Ground and Education Events. Volunteer Care Teams support each of these primary programs.

Gathering Place is a highly engaging program specifically for individuals with early to moderate Alzheimer’s, other dementias or memory loss. Planned activities strengthen motor and social skills through games, music, crafts, lunch, and socialization. Family caregivers receive 3.5 hours of respite care support while their loved ones attend Gathering Place. Volunteers serve on a Care Team to support and provide quality 1:1 care for those attending. In 2020, 820 individuals were served during one or more of the 51 partnering locations.

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 1: ORGANIZATION AND NATURE OF OPERATIONS (Unaudited)(Continued)

Second Family is a program designed to help home-bound individuals living with memory loss or other challenges due to aging and provides respite care, a break from caregiving responsibilities, and support for caregivers. An extended family of trained volunteers offers support and companionship for home-bound individuals who belong to a CarePartners' partnering congregation. In 2020, 172 individuals were served by one of our 15 partnering locations.

Common Ground is a support group for family caregivers offering emotional support, encouragement, friendship and helpful tips about self-care and caregiving. Family caregivers supporting loved ones with Alzheimer's, dementia, memory loss or other challenges of aging may join this monthly support group. In 2020, 62 individuals were served through one or more of our 19 partnering locations.

Caregiver Educational Events are workshops that provide caregivers with education and community resources that equip them to take better care for themselves and their loved ones. Events are offered in half day or full day conference formats, single workshops, or corporate lunch and learns. In 2020, 1,510 individuals attended one of our 14 educational events where 76 workshops were provided by professionals who volunteered their time and expertise to better educate caregivers. During the pandemic, we also created 72 virtual "Hot Topics" video education and community resource workshops available for replay on our website <https://carepartnerstexas.org/caregiver-resource-videos/>

CarePartners programs are in Harris, Fort Bend, Montgomery, Galveston, and Brazoria counties. Our online programs and resources are available to everyone with access to the internet. In addition, our programs have won numerous national and local awards, including a President's Community Service Award, the nation's highest honor for volunteer community service. The organization's reputation for excellence in volunteer program management elicits inquiries from groups across the country seeking advice and consultation, as well as wishing to replicate the procedures and practices of CarePartners' program.

The affiliate of CarePartners is The Acorn Foundation ("Acorn"), established as a nonprofit corporation in June 1993, to be administered solely for the benefit of CarePartners. Acorn exists to invest and administer the endowment fund for Interfaith CarePartners.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying combined financial statements include the accounts of CarePartners and Acorn (collectively, the "Organization"), all of which are under common control. Inter-organization transactions and balances have been eliminated in combination.

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of U.S. GAAP combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Investments

The Organization reports investments in mutual funds with readily determinable fair values and all investments in mutual funds at their fair values in the combined Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying combined Statements of Activities.

Promises to Give

Conditional promises to give are not recognized in the combined financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows, if material. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

The promises to give due in less than one year total \$5,270 and \$6,000 as of December 31, 2020 and 2019, respectively.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. As of December 31, 2020 and 2019, all property and equipment is fully depreciated.

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable Advance

The Organization recognizes contributions received in advance (primarily for their annual fundraising event, Sweet Charity), as a refundable advance.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. 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 specified 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.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are 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 be maintained in perpetuity.

When a donor's 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 combined financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Contributions, which include congregational and foundations support, are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also contribute their time to support the Organization's service programs, principally in client care, and fund-raising services throughout the year that are not recognized as contributions in the combined financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program or supporting services.

Expenses that relate to salaries and employee benefits, rent, office operations, local mileage, office supplies and professional education and training are allocated based on estimates of time and effort of all staff members, which are reviewed throughout the year and updated, if needed, due to staff changes.

Income Taxes

CarePartners and Acorn are exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and, accordingly, are not subjected to federal income taxes.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the combined financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2020 and 2019, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the combined financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, February 26, 2021. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The CarePartners' primary sources of support are contributions and grants, which most of the support having no donor restrictions. Fundraising events are held during the year to support the CarePartners' budget. Additionally, CarePartners receives funds from Acorn based on budgeted needs. CarePartners operates with a balanced budget and anticipates covering its general expenditures by collection of sufficient support and Acorn's annual transfer of funds.

As of December 31, 2020, CarePartners has \$181,167 of financial assets available within one year of the combined statement of financial position date consisting of cash and promises to give. Although not expected to be needed, the Acorn's financial assets are available for spending without limitation at the discretion of the Board. As of December 31, 2020, Acorn's financial assets total \$2,019,078 consisting of short-term and long-term investments.

As of December 31, 2019, CarePartners has \$166,155 of financial assets available within one year of the combined statement of financial position date consisting of cash and promises to give, of which \$5,000 are not available for general use as they are restricted for a specific purpose. Although not expected to be needed, Acorn's financial assets are available for spending without limitation at the discretion of the Board. As of December 31, 2019, Acorn's financial assets total \$1,937,120 consisting of short-term and long-term investments.

Note 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The Organization utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Investments in mutual funds with readily determinable fair values are carried at fair value based on quoted market values in active markets (Level 1).

The fair value of assets measured at fair value on a recurring basis is as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020			
Total investment in mutual funds	\$ 2,019,078	\$ -	\$ -
December 31, 2019			
Total investment in mutual funds	\$ 1,937,120	\$ -	\$ -

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the combined statements of financial position and the combined statements of activities.

Note 5: PAYCHECK PROTECTION PROGRAM

In April 2020, in response to the global pandemic, the Organization applied for and received a \$113,700 loan through the Paycheck Protection Program (PPP) under the CARES Act. The Organization applied for forgiveness of \$113,700 of the debt and recorded the amount as government grant revenue during 2020. On November 24, 2020, the Organization received notice that a principal balance of \$103,700 and related interest of \$616 had been forgiven. On December 12, 2020, the Organization paid off the outstanding balance of \$10,000 plus interest of \$69. As of December 31, 2020, the Organization has no outstanding balance.

Effective December 27, 2020, the Consolidated Appropriations Act, 2021 bill was passed and signed, which included that the Small Business Administration (SBA) will no longer deduct EIDL advances from the forgiven payments remitted to PPP lenders. Therefore, the Organization may receive a refund in 2021 for its payment made.

Interfaith CarePartners, Inc. and Affiliate Notes to Combined Financial Statements

Note 6: NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020 and 2019, CarePartners has net assets with donor restriction of \$5,270 and \$11,000, respectively, to be used for subsequent periods for a specific donor and/or time restrictions.

At December 31, 2020 and 2019, net assets with donor restriction from Acorn in the amount of \$2,019,078 and \$1,937,120, respectively, are available for investment for the benefit of CarePartners.

Note 7: DISTRIBUTION TO AFFILIATE

In 2020 and 2019, Acorn's Board of Directors approved \$150,000 and \$144,300, respectively, transfer to CarePartners.

Note 8: CONCENTRATION OF CREDIT RISK

At various times during the years, the Organization may have bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes any credit risk is low due to the overall financial strength of the financial institution.

As of December 31, 2020 and 2019, one donor accounted for 100% of the promises to give, respectively.

Note 9: OPERATING LEASE

CarePartners leases office space under a noncancelable operating lease which expires on May 31, 2021. The terms of the office lease require escalating annual rental payments. Total annual lease expense amounted to \$72,037 and \$70,416 for the years ended December 31, 2020 and 2019, respectively. The future minimum lease payments required under the lease are \$30,047 for the 2021 year.

Note 10: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meeting, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.