

VOLUNTEERS IN MEDICINE CLINIC

FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 and 2019



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FINANCIAL STATEMENTS
For the Years Ended September 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Volunteers in Medicine Clinic
Springfield, Oregon

We have audited the accompanying financial statements of Volunteers in Medicine Clinic (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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 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 Volunteers in Medicine Clinic as of September 30, 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.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
February 8, 2021

FINANCIAL STATEMENTS

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF FINANCIAL POSITION
September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 602,054	\$ 236,185
Investments, short-term	-	372,372
Unconditional promises to give, facility, current portion	219,733	97,773
Medicine inventory	51,705	189,707
Retail inventory	18,494	14,734
Prepaid expenses	<u>21,528</u>	<u>10,681</u>
 Total current assets	 <u>913,514</u>	 <u>921,452</u>
Leasehold improvements and equipment, net	 <u>5,688</u>	 <u>9,085</u>
Other assets		
Endowment investments	792,895	789,838
Unconditional promises to give, facility, net of current portion	<u>85,314</u>	<u>-</u>
 Total other assets	 <u>878,209</u>	 <u>789,838</u>
Total assets	 <u>\$ 1,797,411</u>	 <u>\$ 1,720,375</u>
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	\$ 11,603	\$ -
Accrued vacation	<u>46,076</u>	<u>62,798</u>
 Total current liabilities	 <u>57,679</u>	 <u>62,798</u>
Net assets		
Without donor restriction	1,040,213	1,128,067
With donor restriction	<u>699,519</u>	<u>529,510</u>
 Total net assets	 <u>1,739,732</u>	 <u>1,657,577</u>
Total liabilities and net assets	 <u>\$ 1,797,411</u>	 <u>\$ 1,720,375</u>

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2020 and 2019

	2020	2019
Net assets without donor restriction		
Revenue and other support:		
Contribution income	\$ 544,754	\$ 400,510
Special events income	202,887	320,768
Patient income	12,777	21,578
Investment income	5,506	7,074
Endowment investment income	41,400	10,762
In-kind donations	723,817	861,300
In-kind volunteer services	135,092	197,913
Thrift store	27,303	14,224
Net assets released from restrictions	806,243	584,183
Total revenue and other support	2,499,779	2,418,312
Expenses:		
Program services:		
Medical clinic and thrift store	2,113,258	2,390,736
Support services:		
Management and general	258,184	242,132
Fundraising	216,191	260,635
Total expenses	2,587,633	2,893,503
Decrease in net assets without donor restriction	(87,854)	(475,191)
Net assets with donor restriction		
Revenues and other support:		
Contribution income	500	500
Grant revenue	547,700	309,747
In-kind contribution, facility	428,052	19,151
Net assets released from restrictions	(806,243)	(584,183)
Increase (decrease) in net assets with donor restriction	170,009	(254,785)
Change in net assets	82,155	(729,976)
Net assets, beginning of year	1,657,577	2,387,553
Net assets, end of year	\$ 1,739,732	\$ 1,657,577

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2020 and 2019

2020

	2020			Total
	Program Services	Support Services		
	Medical Clinic & Thrift Store	Management and General	Fundraising	
Expenses				
Payroll	\$ 560,751	\$ 143,027	\$ 95,837	\$ 799,615
Payroll taxes	49,521	12,631	8,464	70,616
Employee benefits	40,755	10,395	6,965	58,115
Medicine	22,758	-	-	22,758
Insurance, professional liability	-	-	-	-
Medical record and transcription services	18,190	-	-	18,190
Cleaning and maintenance	4,619	544	272	5,435
Equipment rental and maintenance	4,305	478	7,328	12,111
Professional services	99,200	43,910	13,551	156,661
Utilities	15,941	-	-	15,941
Insurance, general	29,743	3,305	-	33,048
Bank and investment fees	-	6,736	4,008	10,744
Volunteer and staff appreciation	3,777	444	222	4,443
Marketing and public relations	1,161	1,161	6,443	8,765
Telephone	8,160	480	960	9,600
Office supplies	5,529	691	690	6,910
Printing	4,226	604	1,207	6,037
Travel and education	1,243	155	303	1,701
Medical supplies	9,224	-	-	9,224
Miscellaneous	1,552	840	2,928	5,320
Laboratory services	-	-	-	-
Rent	6,761	10,656	-	17,417
Alarm system	450	-	-	450
Thrift store expenses	36,106	-	-	36,106
Total accrued expenses	<u>923,972</u>	<u>236,057</u>	<u>149,178</u>	<u>1,309,207</u>
In-kind expenses				
In-kind medicine	842,838	-	-	842,838
In-kind volunteer services	135,092	-	-	135,092
In-kind clinical, lab services, and other	13,254	-	-	13,254
In-kind lease expense	191,646	21,787	7,343	220,776
In-kind expenses, other special events	3,399	-	59,670	63,069
Depreciation	3,057	340	-	3,397
Total in-kind expenses	<u>1,189,286</u>	<u>22,127</u>	<u>67,013</u>	<u>1,278,426</u>
Total expenses	<u>\$ 2,113,258</u>	<u>\$ 258,184</u>	<u>\$ 216,191</u>	<u>\$ 2,587,633</u>
Percentage of total expenses	81.7%	10.0%	8.4%	

2019

Program Services	Support Services		
Medical Clinic & Thrift Store	Management and General	Fundraising	Total
\$ 515,069	\$ 135,570	\$ 78,266	\$ 728,905
47,443	12,487	7,209	67,139
55,869	14,706	8,489	79,064
22,088	-	-	22,088
20,381	2,264	-	22,645
22,110	-	-	22,110
18,687	3,656	2,497	24,840
-	-	19,642	19,642
93,050	37,154	64,744	194,948
15,984	-	-	15,984
7,277	809	-	8,086
-	-	-	-
4,189	493	246	4,928
2,993	1,977	4,474	9,444
8,561	504	1,007	10,072
4,132	517	1,085	5,734
-	-	4,763	4,763
1,867	287	1,700	3,854
11,456	-	-	11,456
325	7,257	1,418	9,000
595	-	-	595
2,088	110	-	2,198
886	-	-	886
24,135	1,270	-	25,405
<u>879,185</u>	<u>219,061</u>	<u>195,540</u>	<u>1,293,786</u>
1,077,014	-	-	1,077,014
197,913	-	-	197,913
39,835	716	239	40,790
193,711	22,013	4,402	220,126
-	-	60,454	60,454
3,078	342	-	3,420
<u>1,511,551</u>	<u>23,071</u>	<u>65,095</u>	<u>1,599,717</u>
<u>\$ 2,390,736</u>	<u>\$ 242,132</u>	<u>\$ 260,635</u>	<u>\$ 2,893,503</u>
82.6%	8.4%	9.0%	

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 82,155	\$ (729,976)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Non-cash contribution of facility	(428,052)	(19,151)
Depreciation	3,397	3,420
Endowment investment income	(34,662)	(10,762)
Amortization of donated facility	220,776	220,126
Non-cash donations of medicine inventory	139,435	271,238
Non-cash donations of retail inventory	(3,760)	(14,734)
(Increase) decrease in:		
Medicine inventory	(1,433)	159
Prepaid expenses	(10,846)	579
Unconditional promises to give	-	100,000
Increase (decrease) in:		
Accrued expenses	11,603	(140)
Accrued vacation	<u>(16,722)</u>	<u>5,419</u>
 Net cash used by operating activities	 <u>(38,109)</u>	 <u>(173,822)</u>
 Cash flows from investing activities		
Purchase of endowment investments	(322,901)	(993,783)
Proceeds from sale of endowment investments	354,507	1,016,911
Purchase of investments	(5,343)	(6,927)
Proceeds from sale of investments	<u>377,715</u>	<u>66,310</u>
 Net cash provided by investing activities	 <u>403,978</u>	 <u>82,511</u>
 Increase(Decrease) in cash and cash equivalents	 365,869	 (91,311)
 Cash and cash equivalents, beginning of year	 <u>236,185</u>	 <u>327,496</u>
 Cash and cash equivalents, end of year	 <u>\$ 602,054</u>	 <u>\$ 236,185</u>

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Volunteers in Medicine Clinic (the Organization) is a nonprofit organization that operates in Lane County, Oregon, providing for the health and wellness needs of the medically underserved and their households.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are composed of certificates of deposit and are carried at fair value. Endowment investments are composed of certificate of deposits and securities and are carried at fair value.

Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give that are to be received in future periods are discounted at an appropriate rate. Management has determined that outstanding promises to give are fully collectible. Therefore, no allowance for uncollectible promises to give is considered necessary at September 30, 2020 and 2019.

Medicine Inventory

Inventory consists of purchased, free, and donated medicines. Purchased medicines are stated at the lower of cost at acquisition (first in, first out method) or market. Free and donated medicines are stated at the lower of fair market value at the date of the donation (first in, first out method) or market. Beginning October 1, 2015, the Organization elected to capitalize in inventory free and donated medicines on hand. Previously, such medicines were expensed at the date of donation.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Leasehold Improvements, Equipment, and Depreciation

Leasehold improvements and equipment are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated on the double declining balance and straight-line method over their estimated useful lives.

Revenue Recognition

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restriction.

Contributions of donated non-cash assets and services are recorded at their fair value in the period received.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, no provision for federal or state income taxes has been included in these financial statements.

Concentration of Credit Risk

The Organization maintains its cash in various financial institutions. The balances, at times, may exceed the federally insured limit of \$250,000. At September 30, 2020 and 2019, deposits exceeded the federally insured limit by \$282,810 and \$197,050, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

Net Assets

Net assets of the Organization consist of the following:

Without donor restriction – These net assets are available for general obligations of the Organization.

With donor restriction – These net assets are restricted by donors and grantors to be used for specific purposes.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Endowment Fund Policy

The Board of Directors has established guidelines for the utilization of the Endowment Fund maintained to benefit the general purposes of the Organization. The policy sets forth that the Organization shall accept current and deferred gifts to the Endowment Fund. The Organization's policy is to allow for the release of any earnings above the Endowment's value of \$770,917 for operations.

The strategic objective of the Endowment is to attain a long term rate of return modestly in excess of the long term rate of inflation while maintaining a level of portfolio diversification, volatility and risk deem appropriate for the Endowment by the Committee. The Organization engaged the services of an investment manager during 2020.

Endowment Fund investments are limited to equity and directional strategies, debt instruments, and cash.

Expense Allocation

The Organization allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly to that program or support service according to their natural expenditure classification. Other expenses that are common to several functions are allocated among the programs and support services benefited.

Recent Accounting Standard Adopted

During the year ended September 30, 2020, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities* (Topic 958) which clarifies accounting guidance about whether a transfer of assets is a contribution or exchange transaction. The standard effectively excludes contributions from the requirements of ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The Organization adopted the new standard effective October 1, 2019, using a modified prospective approach in these financial statements. No change to previously recognized revenue was required as a result of adopting ASU No. 2018-08. The Organization elected to delay implementation of ASU No. 2014-09 pursuant to ASU No. 2020-05 which delayed the implementation date for the Organization to October 1, 2020.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassification had no effect on previously reported net assets or change in net assets.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At September 30, 2020 and 2019, The Organization's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 602,054	\$ 236,185
Investments	-	372,372
Endowments	<u>792,895</u>	<u>789,838</u>
	1,394,949	1,398,395
Less perpetually restricted portion of endowment	(380,991)	(380,991)
Less board designated funds	<u>(482,000)</u>	<u>(482,000)</u>
Financial assets available for general expenditure	<u>\$ 531,958</u>	<u>\$ 535,404</u>

The Board of Directors has designated a portion of the Organization's net assets without donor restrictions to be reserved for the purpose of future operating reserves. The Board designated funds are held in investments and endowments.

3. Investments

At September 30, investments consisted of certificates of deposit with original maturities greater than 90 days in the following categories:

	<u>2020</u>	<u>2019</u>
Certificates of deposit, short-term	\$ -	\$ 372,372
Certificates of deposit, long-term	<u>-</u>	<u>-</u>
Total investments	<u>\$ -</u>	<u>\$ 372,372</u>

4. Endowment Investments

At September 30, the Endowment Fund consisted of the following:

	<u>2020</u>	<u>2019</u>
Earnings	\$ 411,904	\$ 408,847
Perpetually restricted	<u>380,991</u>	<u>380,991</u>
Total Endowment investments	<u>\$ 792,895</u>	<u>\$ 789,838</u>

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

4. Endowment Investments, continued

The following table summarizes Endowment Fund activity:

	<u>2020</u>	<u>2019</u>
Balance, October 1	\$ 789,838	\$ 802,202
Distributions	(31,606)	(23,128)
Investment return, net	<u>34,663</u>	<u>10,764</u>
Balance, September 30	<u>\$ 792,895</u>	<u>\$ 789,838</u>

5. Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at September 30, 2020 and 2019.

Securities: Quoted market prices are used to value each security at year end.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

5. Fair Value Measurement, continued

Certificates of deposit: Valued at the quoted market value of certificates held by the Organization at year end.

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

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2020 and 2019:

	Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 316,856	\$ -	\$ -	\$ 316,856
Securities	476,039	-	-	476,039
Total assets at fair value	\$ 792,895	\$ -	\$ -	\$ 792,895

	Assets at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 657,910	\$ -	\$ -	\$ 657,910
Securities	504,300	-	-	504,300
Total assets at fair value	\$ 1,162,210	\$ -	\$ -	\$ 1,162,210

6. Unconditional Promises to Give, Facility

The Organization leases a 9,126 square foot building (new clinic) under a five-year operating lease where the annual lease payment is \$12. The original lease commenced on April 1, 2010, and had an expiration date of March 31, 2015. This lease was extended in February 2013 for a two-year period and further extended in March 2017 for an additional three-year period. The lease was again extended in December 2019 for an additional two-year period. The lease is currently set to expire March 31, 2022.

The Organization moved into a leased 485 square foot building (storage) under a one-year operating lease where the annual lease payment is \$1. The lease commenced on October 1, 2017 and expired on September 30, 2018. The lease was extended for a one-year period starting on October 1, 2018, and again extended for one year starting on October 1, 2019. The lease was cancelled, effective January 1, 2020.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

6. Unconditional Promises to Give, Facility, continued

The Organization moved into a leased 922 square foot building (storage) under a one-year operating lease where the annual lease payment is \$1. The lease commenced on August 6, 2020 and expires on August 5, 2021.

The Organization leases a 1,513 square foot space (administrative office) under a two-year operating lease where the annual lease payment is \$12. The original lease commenced on November 1, 2011, and ended on November 30, 2013. The lease was extended for an additional two years through November 30, 2015. In November 2015, the lease was further extended for another two years through November 30, 2017. In October 2017, the lease was again extended for an additional two years from December 1, 2017 to November 30, 2019. The lease was again extended in December of 2019 and is currently set to expire November 30, 2021.

At September 30, the present value of the estimated future fair value of these lease payments, using a discount rate of 6 percent, was treated as an unconditional promise to give and consisted of the following:

	2020	2019
Promises to give with donor restriction, facility	\$ 319,187	\$ 99,455
Unamortized discount	(14,140)	(1,682)
Net unconditional promises to give, facility	\$ 305,047	\$ 97,773
Amounts due in:		
Less than one year	\$ 219,733	\$ 97,773
One to five years	85,314	-
	\$ 305,047	\$ 97,773

7. Operating Lease Obligations

The Organization leases a building (thrift store) under a three-year operating lease where the monthly lease payment is \$2,500. The lease commenced on April 1, 2019 and is currently set to expire on March 31, 2022. Total lease expense for the years ended September 30, 2020 and 2019, was \$30,000 and \$12,500, respectively.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

7. Operating Lease Obligations, continued

Future minimum payments under the above lease, as well as those in Note 6, are as follows:

For the Year Ending September 30,		
2021	\$	30,034
2022		15,008
2023		-
2024		-
2025		-
Thereafter		-
Total	\$	45,042

8. Leasehold Improvements and Equipment

At September 30, leasehold improvements and equipment consisted of the following:

	2020	2019
Medical equipment	\$ 77,522	\$ 77,522
Office equipment	94,780	94,780
Office furniture	19,046	19,046
Leasehold improvements	283,248	283,248
	474,596	474,596
Accumulated depreciation	(468,908)	(465,511)
Leasehold improvements and equipment, net	\$ 5,688	\$ 9,085

9. Net Assets With Donor Restriction

At September 30, net assets with donor restriction were available for the following purposes:

	2020	2019
In-kind facility lease donation	\$ 305,047	\$ 97,773
Grant revenue	13,481	50,746
Perpetual endowment	380,991	380,991
Total net assets with donor restriction	\$ 699,519	\$ 529,510

10. Board-designated Net Assets

At September 30, Board-designated net assets were available for the following purposes:

	2020	2019
Operating reserves	\$ 482,000	\$ 482,000

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

11. Retirement Plan

The Organization established a Savings Incentive Match Plan for Employees (SIMPLE) effective January 1, 2015. Under the SIMPLE plan, eligible employees may make elective contributions up to the maximum amount allowable by law. The Organization will make a non-elective contribution equal to 2 percent of the eligible employees' compensation each calendar year. Contributions to the plan totaled \$14,598 and \$12,536 for the years ended September 30, 2020 and 2019, respectively.

12. Related Party Transactions

The Board of Directors made contributions to the Organization of \$14,980 and \$23,206 during the years ended September 30, 2020 and 2019, respectively.

13. In-kind Volunteer Services

For the years ended September 30, in-kind volunteer services consisted of the following:

	2020	2019
In-kind volunteer services	\$ 135,092	\$ 197,913

Other non-eligible volunteer services for administrative and Thrift Store functions totaled \$154,962 and \$166,495 for the years ended September 30, 2020 and 2019, respectively. These non-eligible amounts are not included in the financial statements.

14. Special Events

At September 30, special events consisted of the following:

	2020	2019
Special events income	\$ 202,887	\$ 320,768
Less: Direct donor benefits	(25,417)	(73,466)
Special events income, net	\$ 177,470	\$ 247,302

The Organization received \$59,670 and \$60,454 of donated auction items for the years ended September 30, 2020 and 2019, respectively. In addition, the Organization received \$-0- and \$2,048 of in-kind special event services for the years ended September 30, 2020 and 2019, respectively.

15. Paycheck Protection Program Loan Forgiveness

In June 2020, to mitigate the effect of the COVID-19 outbreak, the Organization requested and was granted a loan under the Paycheck Protection Program by Umpqua Bank, administered through the United States Small Business Administration, in the amount of \$159,700. Allowable uses for the loan proceeds include payroll, rent, and other operating expenses in accordance with the provisions of the CARES Act. If certain conditions are met, the loan is forgivable by Umpqua Bank.

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15. Paycheck Protection Program Loan Forgiveness, continued

As of the date of the independent auditor's report, the Organization has expended all of the funds and management believes the entire amount of the loan will be forgiven. As such, the funds are recognized as grant revenue on the statement of activities for the year ended September 30, 2020.

16. COVID-19 Pandemic

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact the Organization's financial condition and operating results. Other financial impacts could occur, though such potential impact and duration cannot be reasonably estimated at this time.

17. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.