

**MILITARY FAMILY ADVISORY NETWORK
(a nonprofit organization)**

FINANCIAL STATEMENTS

**Year Ended December 31, 2019
with Summarized Comparative Information as of
December 31, 2018**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Military Family Advisory Network
Alexandria, VA

We have audited the accompanying financial statements of Military Family Advisory Network (MFAN), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Restatement

As described in Note 6, the balance of net assets with donor restriction as of December 31, 2018 has been restated to revise the amount released from restriction during 2018.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MFAN as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Subsequent Event

As noted in Note 7 to the financial statements, economic uncertainties have arisen as a result of the spread of the novel coronavirus that are likely to negatively impact MFAN's operations. Our opinion is not modified with respect to this matter, and no pandemic implications are accounted for in these financial statements.

Report on Summarized Comparative Information

We have previously audited MFAN's 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia
September 3, 2020

MILITARY FAMILY ADVISORY NETWORK

STATEMENT OF FINANCIAL POSITION

December 31, 2019 (with Comparative Information as of December 31, 2018, restated)

	2019	2018 restated
ASSETS		
CURRENT ASSETS		
Cash	\$ 159,869	\$ 241,249
Accounts receivable	36,000	-
Prepaid expenses	22,175	-
TOTAL CURRENT ASSETS	<u>\$ 218,044</u>	<u>\$ 241,249</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,769	\$ -
Credit card payable	8,064	2,307
Accrued wages	1,378	-
TOTAL CURRENT LIABILITIES	<u>24,211</u>	<u>2,307</u>
NET ASSETS		
Without donor restrictions	123,833	88,027
With donor restrictions	70,000	150,915
TOTAL NET ASSETS	<u>193,833</u>	<u>238,942</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 218,044</u>	<u>\$ 241,249</u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK**STATEMENT OF ACTIVITIES****Year Ended December 31, 2019 (with Comparative Summarized Information for the year ended December 31, 2018)**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	restated
SUPPORT AND REVENUE				
Contributions	\$ 240,011	\$ 231,000	\$ 471,011	\$ 267,029
Donated services	660,120	-	660,120	664,553
Net assets with donor restrictions released from restrictions	311,915	(311,915)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,212,046</u>	<u>(80,915)</u>	<u>1,131,131</u>	<u>931,582</u>
EXPENSES				
Program	1,045,018	-	1,045,018	823,492
Management and general	89,688	-	89,688	97,274
Fundraising	41,534	-	41,534	8,866
TOTAL EXPENSES	<u>1,176,240</u>	<u>-</u>	<u>1,176,240</u>	<u>929,632</u>
CHANGE IN NET ASSETS	35,806	(80,915)	(45,109)	1,950
NET ASSETS, beginning of year, restated	<u>88,027</u>	<u>150,915</u>	<u>238,942</u>	<u>236,992</u>
NET ASSETS, end of year	<u>\$ 123,833</u>	<u>\$ 70,000</u>	<u>\$ 193,833</u>	<u>\$ 238,942</u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019 (with Summarized Comparative Information for the year ended December 31, 2018)

	2019				2018
	Program	Management and General	Fundraising	Total	
Donated services	\$ 632,741	\$ 20,670	\$ 6,709	\$ 660,120	\$ 664,553
Salaries	248,841	29,111	21,668	299,620	59,319
Travel	49,892	4,617	4,215	58,724	45,715
Consulting	38,471	4,757	-	43,228	25,000
Payroll taxes	20,186	2,227	1,861	24,274	4,538
Technology	19,705	1,972	1,435	23,112	2,582
Marketing	18,071	747	-	18,818	37,642
Accounting fee	-	16,810	-	16,810	750
Meetings	4,736	735	568	6,039	68,490
Meals	4,266	1,113	377	5,756	8,192
Postage and printing	3,022	748	-	3,770	717
Employee benefits	1,872	1,150	628	3,650	-
Professional fees	-	3,254	-	3,254	527
Registration and licensing	-	31	2,796	2,827	8,872
Telecommunication	1,990	268	-	2,258	1,060
Insurance	943	578	667	2,188	1,151
Bank charges	-	645	-	645	297
Dues and subscriptions	-	95	290	385	-
Special event	193	5	170	368	-
Office supplies	89	155	-	244	227
Membership campaign	-	-	150	150	-
TOTAL EXPENSES	\$ 1,045,018	\$ 89,688	\$ 41,534	\$ 1,176,240	\$ 929,632

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019 (with Comparative Information for the year ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	<u>\$ 435,011</u>	<u>\$ 931,582</u>
Cash used in operations		
Payments to employees and suppliers	<u>516,391</u>	<u>931,402</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(81,380)</u>	<u>180</u>
NET (DECREASE) INCREASE IN CASH	(81,380)	180
CASH AND RESTRICTED CASH, beginning of year	<u>241,249</u>	<u>241,069</u>
CASH AND RESTRICTED CASH, end of year	<u><u>\$ 159,869</u></u>	<u><u>\$ 241,249</u></u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019 (with Comparative Information for the year ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ (45,109)</u>	<u>\$ 1,950</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS USING CASH		
ASSETS		
Accounts receivable	(36,000)	-
Prepaid expense	<u>(22,175)</u>	<u>-</u>
	<u>(58,175)</u>	<u>-</u>
LIABILITIES		
Accounts payable	14,769	-
Accrued wages	1,378	-
Credit card payable	<u>5,757</u>	<u>(1,770)</u>
	<u>21,904</u>	<u>(1,770)</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>(36,271)</u>	<u>(1,770)</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (81,380)</u></u>	<u><u>\$ 180</u></u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE

Nature of Activities

The Military Family Advisory Network (MFAN), a 501(c)(3) organization, was founded in 2013 to develop a community of military and veteran families, at home and abroad, who are well informed about important resources designed to serve them, equipped with tools for success, connected to leaders who serve the military family community and embraced by the general public.

MFAN's mission is to connect military families to impact-driven resources through social and interactive programs.

A brief description of major programs include:

Advisory Board Peer-to-Peer Network

Since 2013, MFAN has convened a group of military and veteran spouses, who are also leaders in their communities, in order to form a fuller understanding of what military families need and value. Advisors serve for a two-year term and meet on a monthly basis through video conferences and three times a year for in-person meetings. We talk about what we are seeing, hearing and experiencing in our military communities, and when a challenge is raised, we work together to find the best solution. During these meetings, advisors also regularly review programs and resources presented by other organizations, providing candid feedback informed by their experiences as members of a military family. Through the diverse networks of each advisory board member, MFAN is able to implement a peer influencer model, which allows for real, authentic connection and information sharing across the military and veteran community.

Research and Program Evaluation

In order to effectively develop programs that drive meaningful impact and better inform lawmakers, leaders, decision-makers and communities, we must first understand military families' current needs. MFAN leverages its internal capability to listen to families' stories and experiences in their own words through rigorous qualitative research. This evidence-based information gathering supplements the quantitative research conducted by the Department of Defense and other research organizations in a meaningful way, as learning about military families' needs in their own words has been the most effective way to provide a fuller picture of the realities faced by military families.

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Nature of Activities (Continued)

MFAN's in-house research team, comprised of doctorate-level researchers, design relevant survey instruments that help us understand the programs and services military families value, need and where gaps exist. Our research team analyzes the data and then shares our findings through a comprehensive report. MFAN's use of cutting-edge data analysis software allows the team to evaluate patterns and trends in its qualitative data, providing unique insights into military family life. This reporting is supplemented by outreach efforts and meetings with key influencers to discuss what we have learned through this scientific research.

Military families trust MFAN as a partner throughout their military career which has led to an overwhelming survey response. The research team's agility allows MFAN to conduct both large-scale surveys and smaller, topical surveys when needs arise. A national survey, fielded biannually, explores military families' current support programming needs. The results are used to guide decision-making within MFAN, including the advisory board, when collaborating with others, adding to existing programs or developing new programs. MFAN's work is critical in supporting all military and veteran families today and those who will follow tomorrow.

The MFAN research team also leads our impact assessment across programs. To do this, we engage in a continual program evaluation process, from inception and throughout implementation, and beyond. Before launching a program, we evaluate the landscape for support through research and work with our advisory board. As we implement programs, we engage participants and stakeholders to ensure that we have effective outcomes.

Our research has lead to the development of the following initiatives:

MilYou

Military family wellness is an area of need that consistently rises through MFAN's research efforts. In order to support military families in the areas of physical health, mental health and healthy relationships, MFAN built MilYou, an online and social roadmap filled with helpful information and resources. This mobile-optimized program gives military family participants the opportunity to learn through bite-sized chunks of information and a fully moderated social portal where they can engage with subject matter experts and other program participants.

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

MilMap

MilMap, a user-generated resource locator map, was designed to help military families find and build community. MilMap helps them connect to each other by increasing the visibility of programs and resources designed to support the military and veteran community. Once a military family submits a program for MilMap inclusion, our team vets the resource, then uploads it into MilMap.

MilMap is mobile-optimized and user-friendly, allowing military families to access the information they need regardless of where they are.

MilCents

In 2015, MilCents, MFAN's Financial Education Program, was created to help military families understand their finances better and prepare for life's financial uncertainties. MilCents was built in collaboration with the National Foundation for Credit Counseling, the Better Business Bureau and the Financial Industry National Regulatory Authority Foundation. This program is a mobile-optimized, self-guided educational program that provides straightforward information and access to easy-to-understand resources. Similar to MilYou, MilCents includes a fully moderated social platform where participants can connect with other participants and experts.

Military Family Financial Readiness Coalition

The purpose of the Military Family Financial Readiness Coalition (MFFRC) is to bring together both public and private organizations committed to the financial wellness and stability of military families. Through quarterly meetings and monthly communication, the MFFRC provides an opportunity for organizations with a vested interest in the financial well being of military families to share ideas, lessons learned, best practices, challenges and opportunities; to more effectively serve our families and respond to their evolving needs.

Military Family Food Insecurity Coalition

This program will allow us to understand and combat the root causes of military family hunger and create a solution that can be scaled nationally. Our goal is simple: prevent military family hunger by responsibly addressing the root causes through education, research and connecting military families to the resources they need to thrive. Participating organizations include the top anti-hunger organizations and military family organizations with a food distribution program or advocacy stance on military family food insecurity topics.

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Military Family Housing Roundtable

The purpose of the Military Family Housing Roundtable (MHR), is to convene key stakeholders, representing both public and private sectors, to ensure military and veteran families have access to healthy, safe, and affordable housing options in all communities. Through quarterly meetings, monthly communication, and collaborative work, the MHR provides an opportunity for organizations with a vested interest in the health and well-being of military and veteran families in their homes to share ideas and best practices, while working together to solve challenges and find opportunities to more effectively serve and respond to families' evolving needs. The MHR enhances understanding of the diverse nature of military and veteran families and their specific housing-related issues, informs the work of its participating members in their housing-related efforts and initiatives, and yields actionable information that educates and informs policy makers.

Basis of Accounting

MFAN prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted within the United States (U.S. GAAP). Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

As of December 31, 2019, cash consists of a checking account. MFAN considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2019 and 2018.

Accounts Receivable

Receivables are stated at net realizable value. MFAN provides an allowance for bad debts using the allowance method, which is based on the judgment of management considering historical information. Receivables are considered past due after 30 days and charged off based on individual credit evaluations and specific circumstances of the parties involved. Management records an allowance based on the history of collectability and its efforts to collect outstanding allowance. When all collection efforts have been exhausted, the accounts are written off against the related allowance. MFAN has deemed all receivables to be collectible and no allowance for doubtful accounts has been established for the years ended December 31, 2019 and 2018.

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Fixed Assets and Depreciation

Fixed asset purchases in excess of \$1,000 are capitalized and are stated at cost, less accumulated depreciation. Depreciation of equipment is recorded on a straight-line basis over the estimated useful lives of the assets that are three to seven years. Donated assets are capitalized at fair market value on the date of donation.

Basis of Presentation

In accordance with U.S. GAAP, MFAN's net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

MFAN includes operating net assets that are available for the general operations of the organization as net assets without donor restriction.

Net Assets With Donor Restrictions

MFAN reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Restricted and Unrestricted Revenue

Contributions received are recorded as support without donor restriction or support with 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, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Contributions, including unconditional promises to give, from the general public are recognized when the promise is received. All contributions are considered to be without donor restriction unless specifically restricted by the donor.

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Donated Services

Donated services are recorded at their estimated fair value on the date of receipt. Donated services are recognized in the financial statements at their fair value if the services require specialized skills and the services would typically need to be purchased if not donated.

Income Taxes

MFAN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. In addition, MFAN qualifies for the charitable contributions deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). MFAN had no taxable unrelated business income for the years ended December 31, 2019 and 2018.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated MFAN's tax positions and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Allocated Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as salary, payroll taxes, employee benefits, donated services, meetings, insurance, meals, technology, special event expense and travel expenses, have been allocated among the program and management and general, and fundraising benefits based on level of effort. Accounting fees, professional fees and bank charges are allocated solely to general and administrative. Dues and subscriptions and registration and licensing have been allocated to general and administrative and fundraising, while membership campaign is allocated solely to fundraising. Telecommunication, consulting, marketing, membership campaign, office supplies, and postage and printing are allocated to program and general and administrative expenses.

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

The significant estimates affecting the financial statements include the estimated fair value of the donated services are discussed in Note 5.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with MFAN's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Liquidity

MFAN maintains a liquid cash balance in the checking account in an amount necessary to meet its anticipated expenditures for the next 30 days.

MFAN's financial assets available within one year to meet cash needs for general expenditures through December 31, 2020, are as follows:

Financial Assets	
Cash	\$ 159,869
Accounts receivable	36,000
Total financial assets	<u>195,869</u>
Less amounts not available within one year	
Purpose restricted net assets	<u>70,000</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 125,869</u></u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

2. CASH

Cash as of December 31, 2019, consists of the following:

	<u>2019</u>	<u>2018</u>
Held for restricted purposes	\$ 70,000	\$ 150,915
Unrestricted cash	<u>89,869</u>	<u>90,334</u>
Total cash	<u>\$ 159,869</u>	<u>\$ 241,249</u>

As of December 31, 2019, all cash was covered by the Federal Deposit Insurance.

3. ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2019 and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Sponsorship revenue receivable	\$ 25,000	\$ -
Contribution pledges receivable	<u>11,000</u>	<u>-</u>
Total	<u>\$ 36,000</u>	<u>\$ -</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

A summary of activity in net assets with donor restriction for funds maintained within MFAN for the years ended December 31, 2019 and 2018, are as follows:

	<u>2019</u>			
	<u>Balance at December 31, 2018</u>	<u>Revenue and Support</u>	<u>Released from Restriction</u>	<u>Balance at December 31, 2019</u>
Purpose restricted:				
Financial Education	\$ 137,151	\$ -	\$ (137,151)	\$ -
Research	-	231,000	(161,000)	70,000
Entrepreneurship	<u>13,764</u>	<u>-</u>	<u>(13,764)</u>	<u>-</u>
	<u>\$ 150,915</u>	<u>\$ 231,000</u>	<u>\$ (311,915)</u>	<u>\$ 70,000</u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

4. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2018			Balance at December 31, 2018
	Balance at December 31, 2017	Revenue and Support	Released from Restriction	
Purpose restricted:				
Financial Education	\$ 101,168	\$ 140,000	\$ (104,017)	\$ 137,151
Research	33,612	50,000	(83,612)	-
Entrepreneurship	-	35,000	(21,236)	13,764
Advisory	3,241	27,000	(30,241)	-
	<u>\$ 138,021</u>	<u>\$ 252,000</u>	<u>\$ (239,106)</u>	<u>\$ 150,915</u>

5. DONATED SERVICES

Reingold, Inc. provided in-kind support around media, web design, project management and other support services that valued at a blended rate of \$120 per hour based on actual hours spent by Reingold, Inc.'s employees for each project. As required by U.S. GAAP, MFAN recorded donated services in the amounts of \$660,120 and \$664,553 for the years ended December 31, 2019 and 2018, respectively.

6. PRIOR PERIOD ADJUSTMENT

Net assets without donor restriction as of December 31, 2018 have been restated to account for the release of net assets for which donor restrictions had been met.

Prior period adjustments as of December 31, 2018 are as follows:

	As Originally Presented	Prior Period Adjustment	As Restated
Net assets without donor restriction December 31, 2018	<u>\$ 53,496</u>	<u>\$ 34,531</u>	<u>\$ 88,027</u>
Net assets with donor restriction December 31, 2018	<u>\$ 185,446</u>	<u>\$ (34,531)</u>	<u>\$ 150,915</u>

See Independent Auditors Report.

MILITARY FAMILY ADVISORY NETWORK

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (with Comparative Information as of and for the year ended December 31, 2018)

7. SUBSEQUENT EVENTS

In preparing these financial statements, MFAN has evaluated events and transactions for potential recognition or disclosure through September 3, 2020, the date the financial statements were available

Novel COVID-19 Coronavirus

Subsequent to the fiscal year end, citizens and economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect MFAN's operations because the disease's severity and duration are uncertain, we expect 2020 financial results will be impacted and the implications beyond 2020, while unclear, could also be adversely impacted. No pandemic implications are accounted for in these financial statements.

Additionally, subsequent to the fiscal year end, MFAN received loan proceeds in the amount of \$62,493 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. MFAN intends to use the proceeds for purposes consistent with the PPP.

See Independent Auditors Report.