

BRADLEY ANGLE, INC.

Audited Financial Statements

For the Year Ended June 30, 2020



MCDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bradley Angle, Inc.

We have audited the accompanying financial statements of Bradley Angle, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2020, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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 Bradley Angle, Inc. as of June 30, 2020, and 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.

Report on Summarized Comparative Information

We have previously audited Bradley Angle, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2021, on our consideration of Bradley Angle, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bradley Angle, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bradley Angle, Inc.'s internal control over financial reporting and compliance.

McDonald Jacobson, P.C.

Portland, Oregon
March 26, 2021

BRADLEY ANGLE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020
(With comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 484,886	\$ 21,252
Accounts receivable	472,689	452,935
Pledges receivable	22,000	-
Prepaid expenses	11,469	13,033
Deposits	6,450	6,450
Investments	-	94,218
Property and equipment, net	<u>335,134</u>	<u>325,012</u>
 TOTAL ASSETS	 <u>\$ 1,332,628</u>	 <u>\$ 912,900</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 51,078	\$ 106,581
Accrued personnel expenses	84,438	34,012
Refundable advance	251,702	-
Deferred lease liability	53,138	43,308
Funds held for participants	<u>6,188</u>	<u>4,765</u>
Total liabilities	<u>446,544</u>	<u>188,666</u>
Net assets:		
Without donor restrictions:		
Undesignated	333,190	257,486
Board designated	-	58,839
Net property and equipment	<u>335,134</u>	<u>325,012</u>
Total without donor restrictions	668,324	641,337
With donor restrictions	<u>217,760</u>	<u>82,897</u>
Total net assets	<u>886,084</u>	<u>724,234</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,332,628</u>	 <u>\$ 912,900</u>

See notes to financial statements.

BRADLEY ANGLE, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020
(With comparative totals for 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions and grants	\$ 298,325	\$ 317,191	\$ 615,516	\$ 472,854
Government grants	2,009,483	-	2,009,483	2,073,894
Donated materials and services	83,329	-	83,329	-
Special event revenue, net of direct benefit costs of \$6,975 in 2020 and \$41,835 in 2019	3,411	-	3,411	76,679
Investment income, net	602	-	602	7,194
Other income	5,935	-	5,935	9,653
Net assets released from restrictions:				
Satisfaction of program restrictions	182,328	(182,328)	-	-
Total support and revenue	2,583,413	134,863	2,718,276	2,640,274
Expenses:				
Program	2,059,374	-	2,059,374	2,067,676
Management and general	364,466	-	364,466	394,384
Fundraising	132,586	-	132,586	242,480
Total expenses	2,556,426	-	2,556,426	2,704,540
 Change in net assets	 26,987	 134,863	 161,850	 (64,266)
Net assets:				
Beginning of year	641,337	82,897	724,234	788,500
 End of year	 \$ 668,324	 \$ 217,760	 \$ 886,084	 \$ 724,234

See notes to financial statements.

BRADLEY ANGLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020
(With comparative totals for 2019)

	2020			Total	2019 Total
	Program	Management and General	Fundraising		
Personnel expenses	\$ 969,241	\$ 205,942	\$ 72,199	\$ 1,247,382	\$ 1,326,272
Housing assistance	481,373	-	-	481,373	491,991
Participant assistance	219,243	2,144	1,430	222,817	133,321
Contract services	93,882	89,388	30,086	213,356	368,999
Business expenses	2,564	8,884	7,053	18,501	18,812
Office expenses and supplies	47,729	6,273	5,294	59,296	47,056
Telephone and meetings	31,372	1,799	1,005	34,176	39,614
Facilities and utilities	41,540	4,031	2,605	48,176	65,254
Rent	113,021	16,987	12,878	142,886	162,354
Depreciation	30,800	6,160	4,106	41,066	40,651
Staff and board development	3,517	1,156	207	4,880	13,972
Auto and travel	6,877	108	100	7,085	20,078
Insurance	25	18,364	4	18,393	18,001
Bad debt expense	18,190	3,230	2,594	24,014	-
	<u>2,059,374</u>	<u>364,466</u>	<u>139,561</u>	<u>2,563,401</u>	<u>2,746,375</u>
Less direct benefit costs netted with revenue	<u>-</u>	<u>-</u>	<u>(6,975)</u>	<u>(6,975)</u>	<u>(41,835)</u>
Total expenses	<u>\$ 2,059,374</u>	<u>\$ 364,466</u>	<u>\$ 132,586</u>	<u>\$ 2,556,426</u>	<u>\$ 2,704,540</u>

See notes to financial statements.

BRADLEY ANGLE, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2020
(With comparative totals for 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 161,850	\$ (64,266)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	41,066	40,651
Net realized/unrealized gains on investments	-	168
(Increase) decrease in:		
Accounts and pledges receivable	(41,754)	(102,674)
Prepaid expenses and deposits	1,564	(736)
Increase (decrease) in:		
Accounts payable and accrued expenses	(3,654)	37,489
Refundable advance	251,702	-
Deferred lease liability	9,830	(1,043)
Net cash flows from operating activities	420,604	(90,411)
Cash flows from investing activities:		
Purchase of property and equipment	(51,188)	(35,727)
Proceeds from sale of investments	94,218	105,000
Purchase of investments	-	(7,151)
Net cash flows from investing activities	43,030	62,122
Net change in cash and cash equivalents	463,634	(28,289)
Cash and cash equivalents - beginning of year	21,252	49,541
Cash and cash equivalents - end of year	\$ 484,886	\$ 21,252

See notes to financial statements.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

1. NATURE OF ACTIVITIES

Bradley Angle, Inc. (the “Organization”) is a nonprofit organization, incorporated in the State of Oregon in 1975, whose purpose is to provide shelter and related services for any person experiencing or at risk of domestic violence in the Portland, Oregon metropolitan area. The Organization receives funding from government grants and contributions.

The Organization’s programs are as follows:

Emergency Shelter

The Bonnie Tinker House provides emergency shelter for up to sixty days for survivors of domestic violence and their children fleeing abusive situations. Residents receive help with immediate needs and work with a trained advocate to find a housing solution, explore legal options, and access other needed support. The Bonnie Tinker House is a confidential location.

Housing Assistance

Housing assistance services are available to survivors who are not in immediate danger and are feeling stable enough to move forward. Services are designed to foster financial independence and long-term stability through rental assistance for up to one year, supportive case management, and skill-building and educational opportunities. The Organization serves up to 20 families at a time in the Housing Assistance Program.

Youth and Family Support Services

Domestic violence affects every member of the family, including the children. Growing up in a violent home can be a terrifying and traumatic experience that can affect every aspect of a child’s life, growth, and development. Youth services are designed to create a sense of safety, to assess and address trauma symptoms, and provide nurturing support to children of all ages. The Organization also provides supportive parenting education and volunteers help with after-school tutoring and group activities.

Healing Roots

The Healing Roots program offers culturally specific services for African American survivors of domestic violence, who are over-represented in domestic violence statistics. Services include advocacy, case management, help with basic needs, and support groups.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

1. NATURE OF ACTIVITIES, Continued

LGBTQ Program

Bradley Angle is committed to survivors of domestic violence regardless of relationship status, sexual orientation, or gender identity/expression. Services for the LGBTQ community include advocacy, case management, support groups, and our popular Healthy Relationships group. The Organization also trains community groups about the impact of domestic violence in the community.

Economic Empowerment Program

For many survivors of domestic violence, access to their own financial resources and financial management skills are key to getting and staying free of abusive relationships. The Economic Empowerment program is one of a kind. It offers financial education and economic empowerment tools like match-savings accounts to help survivors increase their financial self-sufficiency. The popular Making Cent\$ classes are offered four times a year.

Resource Center

The Healing Roots, LGBTQ, and Economic Empowerment programs operate out of a Resource Center in Northeast Portland. Participants also attend support groups and educational workshops at the Resource Center and meet with trained and caring advocates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

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

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents. Included in cash and cash equivalents are funds held for participants.

Accounts and Pledges Receivable

Accounts and pledges receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Investments

Investments are carried at fair value.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 20 years.

Funds Held for Participants

Funds held for participants represent funds invested by survivors in match-savings accounts.

Deferred Rent

For lease agreements that contain rent holidays and/or rent escalation clauses, the Organization amortizes the lease on a straight-line basis over the term of the lease and records a deferred lease liability as an addition or reduction to rent expense.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions and Grants: Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Government Grants: Government grants are conditioned upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization has been awarded cost-reimbursable grants of approximately \$518,000 for the period through September 2022 that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred. The Organization has not received any advances on these grants as of June 20, 2020.

Refundable Advance: The Paycheck Protection Program (PPP) loan guaranteed by the Small Business Administration (SBA) is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance will be recognized as revenue.

Special Events: The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Sponsorships are recorded as revenue at the time of the commitment unless commensurate value is included a part of the agreements. The portion of the sponsorship revenue that relates to commensurate value of the sponsor received in return is recognized when the related events are held and performance obligations are met.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Tax Status

Bradley Angle, Inc. is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel expenses, contract services, business expenses, office expenses and supplies, meetings, facilities and utilities, rent, depreciation, staff and board development and auto and travel, which are allocated on the basis of estimates of time and effort.

Change in Accounting Principle

The Organization implemented Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists organizations in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 were implemented applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. There was no significant impact to the Organization's revenue recognition in either year presented for this change in accounting principle.

Summarized Financial Information for 2019

The financial information as of June 30, 2019 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated all subsequent events through March 26, 2021, the date the financial statements were available to be issued.

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets of the Organization consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 484,886	\$ 21,252
Accounts receivable	472,689	452,935
Pledges receivable	22,000	-
Investments	<u>-</u>	<u>94,218</u>
	979,575	568,405
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	217,760	82,897
Funds held for participants	6,188	4,765
Board designations	<u>-</u>	<u>58,839</u>
Financial assets available for general expenditure	<u>\$ 755,627</u>	<u>\$ 421,904</u>

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

4. INVESTMENTS

Investments consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash equivalents	\$ -	\$ 5,795
Mutual funds	-	29,584
Beneficial interest in assets held by the Oregon Community Foundation (Note 8)	<u>-</u>	<u>58,839</u>
Total investments	<u>\$ -</u>	<u>\$ 94,218</u>

Investments were liquidated during the first half of the fiscal year 2020.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 15,000	\$ 15,000
Buildings	1,057,930	1,011,384
Furniture and equipment	63,447	58,805
Vehicles	<u>28,720</u>	<u>28,720</u>
	1,165,097	1,113,909
Accumulated depreciation	<u>(829,963)</u>	<u>(788,897)</u>
Property and equipment, net	<u>\$ 335,134</u>	<u>\$ 325,012</u>

6. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

7. LEASE COMMITMENTS

The Organization leases its administrative office space with an operating lease expiring April 2024. The lease has a monthly base rent of approximately \$7,500, subject to annual increases. Rent expense for the administrative office is recognized on a straight-line basis over the term of the lease, resulting in a deferred lease liability of \$53,138 and \$43,308 at June 30, 2020 and 2019, respectively. The Organization has other cancelable leases with monthly payments of approximately \$3,950 during 2020 and \$5,560 during 2019.

Total lease expense under all leases was approximately \$142,900 and \$162,400 for the years ended June 30, 2020 and 2019, respectively.

Future minimum lease commitments under non-cancellable operating leases are as follows:

Year ending June 30, 2021	\$ 96,600
2022	95,700
2023	98,500
2024	<u>84,200</u>
Total	<u>\$ 375,000</u>

8. BOARD DESIGNATED NET ASSETS

Through August of 2019, the Organization had a board-designated endowment fund with The Oregon Community Foundation (OCF), established as a beneficial interest and named The Bradley-Angle House Endowment Fund of OCF. The endowment fund was fully liquidated in August 2019.

Information on the beneficial interest and the endowment fund policies in effect prior to liquidation are summarized as follows:

The Organization's fund at June 30, 2019 is pooled with other assets managed by OCF which are invested in a mixture of equities, fixed-income instruments, alternative investment classes, and cash, which are reflected at fair value. Under the terms of the agreement, variance power has been granted to OCF; however, the Organization is the beneficiary of the fund and the transfer is reciprocal in nature. The beneficial interest in assets held at June 30, 2019 were \$58,839.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

8. BOARD DESIGNATED NET ASSETS, Continued

Return Objectives, Risk Parameters and Strategies for Achieving Objectives

The Organization adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

To achieve its objective, the Organization adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk.

Endowment assets are invested with OCF which maintains a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions to support operations. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return consistent with the market. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Bradley Angle, Inc. adopted a policy of appropriating for distribution each year an amount as allowed under the policies established by OCF and which is distributed from OCF. In establishing this policy, OCF considers the long-term expected investment return on the endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

OCF may make additional distributions from the fund to the Organization upon a majority vote of all of the directors of the Organization, if, in the sole judgment of the board of OCF, the requested distribution is consistent with the objectives and purposes of the Organization. At the request of the board of directors the Organization, OCF approved full distribution of the fund in August 2019 based on majority vote of both boards of directors.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

8. BOARD DESIGNATED NET ASSETS, Continued

Changes in endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Beginning of year	\$ 58,839	\$ 54,813
Investment income (loss), net of fees	-	(40)
Net appreciation	-	4,066
Distribution	(58,839)	-
Total changes	(58,839)	4,026
End of year	\$ -	\$ 58,839

9. NET ASSETS WITH EXPIRING DONOR RESTRICTIONS

Net assets with expiring donor restrictions consist of the following at June 30, 2020 and 2019:

	2020	2019
Emergency Shelter	\$ 14,628	\$ 49,584
Economic Empowerment	82,984	-
Youth Program	19,226	-
Healing Roots	61,910	10,234
LGBTQ	26,940	14,075
Other purpose restrictions	12,072	9,004
Total net assets with expiring restrictions	\$ 217,760	\$ 82,897

10. RETIREMENT PLAN

The Organization has a “Savings Incentive Match Plan for Employees of Small Employers” (SIMPLE) IRA plan. Eligibility is limited to employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. An eligible employee may make elective deferrals to the plan which are matched by the Organization up to a specified threshold. The Organization's contributions to the plan for 2020 and 2019 totaled approximately \$15,100 and \$17,700, respectively.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

11. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in several financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit.

The Organization's revenues are concentrated with 67% of total revenues coming from three governmental agencies for the year ended June 30, 2020 and 2019. The Organization's credit risk for accounts receivable is concentrated with 84% of the balance coming from two governmental agencies as of June 30, 2020 (91% from three governmental agencies as of June 30, 2019).

12. FAIR VALUE MEASUREMENTS

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

BRADLEY ANGLE, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2020

12. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets measured on a recurring basis at June 30, 2019 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2019				
Mutual funds:				
Large-cap	\$ 2,339	\$ 2,339	\$ -	\$ -
Bonds	12,784	12,784	-	-
International - Developed	12,053	12,053	-	-
Other	2,408	2,408	-	-
OCF pooled funds	<u>58,839</u>	<u>-</u>	<u>-</u>	<u>58,839</u>
Total fair value investments	<u>\$ 88,423</u>	<u>\$ 29,584</u>	<u>\$ -</u>	<u>\$58,839</u>

Fair values for investments in mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values of the beneficial interest in the investments held at OCF have been provided to the Organization based on information from OCF, which represents the Organization's proportionate share of investments owned by OCF, using a market approach.

See Note 8 for a summary of the annual activity for the Level 3 investments. The change in the value of the investment is reflected in net assets without donor restriction.

13. UNCERTAINTY

The Organization has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.