

Adoptions Together, Inc.
**Financial Statements
and Independent Auditor's Report**
December 31, 2020 and 2019

Adoptions Together, Inc.

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Independent Auditor's Report

To the Board of Directors
Adoptions Together, Inc.

We have audited the accompanying financial statements of Adoptions Together, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 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 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 the Adoptions Together, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Baltimore, Maryland
November 16, 2021

Adoptions Together, Inc.
Statements of Financial Position
December 31, 2020 and 2019

	<u>Assets</u>	
	2020	2019
Current assets		
Cash	\$ 797,940	\$ 370,371
Investments	53,586	31,153
Accounts receivable, net of allowance for uncollectible accounts of \$43 and \$0, respectively	611,952	346,504
Prepaid expenses	55,370	55,611
Total current assets	1,518,848	803,639
Property and equipment		
Furniture and equipment	266,351	282,242
Less accumulated depreciation and amortization	(187,099)	(244,665)
Net property and equipment	79,252	37,577
Other assets		
Deposits	17,400	17,050
Total assets	\$ 1,615,500	\$ 858,266
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 133,711	\$ 117,097
Accrued salaries and related expenses	214,585	151,674
Deferred revenue and other liabilities	173,026	98,484
Paycheck Protection loan payable	395,100	-
Capital lease obligations, current	8,893	8,284
Deferred rent	9,645	7,067
Total current liabilities	934,960	382,606
Capital lease obligations, noncurrent	40,359	248
Total liabilities	975,319	382,854
Net assets		
Without donor restrictions	640,181	475,412
Total liabilities and net assets	\$ 1,615,500	\$ 858,266

See Notes to Financial Statements.

Adoptions Together, Inc.
Statements of Activities
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and support		
Domestic adoptions	\$ 1,036,162	\$ 1,042,629
Ancillary permanency services	1,223,849	1,132,323
Assessment services	537,363	524,821
Fundraising	463,057	490,326
Unrestricted grants	<u>100,144</u>	<u>90,851</u>
Total revenue and support	<u>3,360,575</u>	<u>3,280,950</u>
Expenses		
Programs		
Domestic adoptions	639,235	624,764
Ancillary permanency services	1,286,642	1,129,375
Assessment services	<u>485,072</u>	<u>500,592</u>
Total programs	2,410,949	2,254,731
Support services		
Management and general	536,610	666,039
Fundraising	<u>248,247</u>	<u>305,930</u>
Total expenses	<u>3,195,806</u>	<u>3,226,700</u>
Change in net assets, without donor restrictions	164,769	54,250
Net assets without donor restrictions, beginning of year	<u>475,412</u>	<u>421,162</u>
Net assets without donor restrictions, end of year	<u>\$ 640,181</u>	<u>\$ 475,412</u>

See Notes to Financial Statements.

Adoptions Together, Inc.

Statements of Functional Expenses Years Ended December 31, 2020 and 2019

	2020					
	Domestic adoptions	Ancillary permanency services	Assessment services	Management and general	Fundraising	Total functional expenses
Salaries and benefits	\$ 439,514	\$ 957,736	\$ 232,460	\$ 350,736	\$ 199,232	\$ 2,179,678
Operating office expenses	31,351	113,840	8,004	155,358	9,191	317,744
Contract social workers	13,945	74,012	209,605	-	-	297,562
Domestic infant adoption	37,634	-	-	-	-	37,634
Client costs	47,690	4,119	9,520	-	91	61,420
Fundraising	-	-	-	-	23,132	23,132
Other office expenses	69,101	136,935	25,483	14,148	16,601	262,268
Depreciation	-	-	-	16,368	-	16,368
	\$ 639,235	\$ 1,286,642	\$ 485,072	\$ 536,610	\$ 248,247	\$ 3,195,806
	2019					
	Domestic adoptions	Ancillary permanency services	Assessment services	Management and general	Fundraising	Total functional expenses
Salaries and benefits	\$ 433,104	\$ 790,372	\$ 228,949	\$ 422,080	\$ 191,835	\$ 2,066,340
Operating office expenses	26,212	141,133	6,630	207,654	14,890	396,519
Contract social workers	17,641	86,996	223,432	-	-	328,069
Domestic infant adoption	48,928	-	-	-	-	48,928
Client costs	40,458	10,059	8,900	130	392	59,939
Fundraising	-	-	-	-	95,271	95,271
Other office expenses	58,421	100,815	32,681	20,174	3,542	215,633
Depreciation	-	-	-	16,001	-	16,001
	\$ 624,764	\$ 1,129,375	\$ 500,592	\$ 666,039	\$ 305,930	\$ 3,226,700

See Notes to Financial Statements.

Adoptions Together, Inc.
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 164,769	\$ 54,250
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	16,368	16,001
Change in deferred rent	2,578	(11,971)
Change in fair value of investments	(22,433)	(6,490)
Loss on disposal of furniture and equipment	3,209	-
(Increase) decrease in assets		
Accounts receivable	(265,448)	(37,012)
Prepaid expenses	241	8,185
Deposits	(350)	(1,850)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	16,614	15,959
Accrued salaries and related expenses	62,911	(8,008)
Deferred revenue and other liabilities	74,542	41,741
	53,001	70,805
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of furniture and equipment	(61,252)	(12,000)
Net cash used in investing activities	(61,252)	(12,000)
Cash flows from financing activities		
Proceeds from capital lease obligations	49,252	-
Payments of capital lease obligations	(8,532)	(5,682)
Proceeds from Paycheck Protection Loan	395,100	-
Net cash provided by (used in) financing activities	435,820	(5,682)
Net increase in cash	427,569	53,123
Cash, beginning of year	370,371	317,248
Cash, end of year	\$ 797,940	\$ 370,371
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 558	\$ 559

See Notes to Financial Statements.

Adoptions Together, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization

Adoptions Together, Inc. (the "Organization") was founded in 1990 as a nonprofit organization to provide adoption and related services. The Organization is licensed as a child placement agency in the State of Maryland, Commonwealth of Virginia and the District of Columbia. The Organization is committed to building healthy permanent families by providing the highest quality child placement services, lifelong support to children and their families and advocacy for continuous improvement of child welfare systems. The Organization receives a majority of its revenue and support from program fees, grants and contributions.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Net Assets

Net assets, revenue and releases from restriction are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the changes therein are classified and reported in two categories of net assets. The two categories are differentiated as follows:

Without donor restrictions

Net assets without donor restrictions consist of assets that can be used at the discretion of the Organization to support operations. If grants and contributions are received with stipulations that are met within the same year that they are received, the Organization records these contributions as revenue without donor restrictions.

With donor restrictions

Net assets with donor restrictions consist of assets that are restricted by a donor to be used for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions, or when the stipulated time has passed. Other donor-imposed restrictions on net assets are permanent in nature. These net assets have been restricted by donors to be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restrictions is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoptions Together, Inc.

Notes to Financial Statements December 31, 2020 and 2019

Property and equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$2,500. Property and equipment are stated at cost for purchased assets and at estimated fair value on the contribution date for contributed assets. Property and equipment are being depreciated using the straight-line method over the estimated useful lives of the assets (three to five years). Leasehold improvements are amortized over the period of the lease or useful life of the improvements, whichever is shorter. Costs of repairs and maintenance of the property and equipment are expensed as incurred.

Contributions

Contributions received, are recorded at fair value as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions, including inherent time restrictions. When a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. However, when time or use restrictions are fully met in the same fiscal year in which the contribution is received, the contribution is reported as with donor restriction. Pledges due beyond one year from the fiscal year-end are discounted to their estimated present value of expected future cash flow. As of December 31, 2020 and 2019, there were no pledges due beyond one year of the statement of financial position dates.

Donated services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received. During the years ended December 31, 2020 and 2019, the Organization has not recognized any donated services as contributions.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Receivables include an allowance for uncollectible accounts, which was determined based on a review of outstanding balances and the likelihood of collection. Delinquency of receivables is determined based on contractual terms and management's review of aged balances. Based on management's assessment of the credit history with customers having outstanding balances, the Organization has concluded that no allowance for doubtful accounts is necessary.

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized holding gains and losses are included with unrestricted grants in the statements of activities. Investment income is reported as an increase in unrestricted net assets unless restricted by donor or law.

Fair value measurements

The accounting guidance for fair value measurements and disclosures emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that distinguishes between

Adoptions Together, Inc.

Notes to Financial Statements December 31, 2020 and 2019

market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). Refer to Note 5 for additional discussion.

Revenue recognition

Revenue is recognized when services are rendered and the Organization has a contractual right to payment. With respect to adoption related services such as home studies and post placement services, the Organization treats payments received as deferred revenue until the services have been rendered. For traditional adoption placements, a portion of payments received and billings made are also treated as deferred revenue until the adoption occurs or legal risk has expired. Nonrefundable fees are recognized as income at the time of receipt. Accounts receivable consist of amounts due to the Organization for arranging domestic adoptions and adoption-related services.

Revenue from cost-reimbursable grants is recognized to the extent of the Organization's corresponding expenditures on the basis of allowable direct and indirect costs. Grants receivable consist of expenditures in excess of cash received for funded grants.

Functional allocation of expenses

The costs of providing program and support services have been summarized on a functional basis in the statements of activities. Accordingly, certain overhead costs have been allocated based upon the functions they directly benefit or upon management's estimate of the proportion of these costs applicable to each function.

Income taxes

The Organization has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the years ended December 31, 2020 and 2019. Due to its tax-exempt status, the Organization is not subject to income taxes. The Organization is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Organization has no other tax positions which must be considered for disclosure. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2016 remain open.

Change in accounting principles

During the year ended December 31, 2020, the Organization adopted the provisions of Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers. This ASU provides new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers which reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. Adopting the new standard did not have a material effect on the timing of the Organization's revenue recognition for the year ended December 31, 2020.

During the year ended December 31, 2020, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). This ASU provided revised guidance to improve the effectiveness of the disclosure requirements for fair value measurements. Adopting the new

Adoptions Together, Inc.

Notes to Financial Statements December 31, 2020 and 2019

standard did not have a material effect on the Organization's fair value measurements for the year ended December 31, 2020.

Note 3 - Liquidity and availability of resources

The following table reflects Adoptions Together, Inc.'s financial assets as of December 31, 2020 and 2019. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash	\$ 797,940	\$ 370,371
Investments	53,586	31,153
Accounts receivable	<u>611,952</u>	<u>346,504</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,463,478</u>	<u>\$ 748,028</u>

Note 4 - Description of program services

The Domestic Adoption program provides support and preparation services to prospective adoptive and birth parents residing primarily in Maryland, Virginia, and the District of Columbia metropolitan area. The Adoption Works program, included with Domestic Adoption program costs, provides adoption services for children who are growing up in public foster care across the United States.

Ancillary Permanency Services includes supportive programs related to helping children achieve and maintain permanency with healthy families. Offerings include:

- Counseling;
- Training for parents, child welfare and mental health professional and the community-at-large;
- Identification of permanency resources for older youth in foster care; and
- The Permanency Family Center offers comprehensive services and activities to support families and children from the District of Columbia brought together through adoption, guardianship and kinship care.

The Assessment Services program provides home studies and post-placement supervision for foster parents, pre-adoptive parents and families who have received placement of a child and are awaiting completion of the adoption. These services are available to families residing in Maryland, Virginia, and the District of Columbia.

Note 5 - Fair value measurements

FASB's guidance on fair value measurements established a new framework for measuring fair value of assets and liabilities and expanded related disclosures. FASB's guidance requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability

Adoptions Together, Inc.

Notes to Financial Statements December 31, 2020 and 2019

in an orderly transaction between market participants. The guidance established a three-level valuation hierarchy based upon observable and nonobservable inputs.

Fair value is the price the Organization would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. Preference is given to observable inputs.

The fair value hierarchy under the guidance is as follows:

- Level 1 Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs;
- Level 2 Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The FASB's guidance requires the use of observable market data if such data is available without undue cost and effort.

When quoted market prices are unobservable, the Organization uses other relevant information including referenced interest rates where applicable. The fair value of assets measured on a recurring basis at December 31, 2020 and 2019 are as follows:

Fair value measurements at December 31, 2020 using:			
	Level 1	Level 2	Level 3
Common stock			
Financial	<u>\$ 53,586</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u><u>\$ 53,586</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Fair value measurements at December 31, 2019 using:			
	Level 1	Level 2	Level 3
Common stock			
Financial	<u>\$ 31,153</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u><u>\$ 31,153</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Adoptions Together, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 6 - Lease agreements

Operating leases

The Organization leases office space in Calverton, Maryland, which includes provisions for annual adjustments of 3% over the lease term, which expires in February 2025. Total rent payments are recognized as expenses on a straight-line basis resulting in a deferred rent liability. Rent expense recognized on a straight-line basis for the years ended December 31, 2020 and 2019 was \$89,747 and \$107,841, respectively.

The Organization leases office space in Baltimore, Maryland, which includes provisions for annual adjustments of 3% over the lease term, which expires in February 2023. Total rent payments are recognized as expenses on a straight-line basis resulting in a deferred rent liability. Rent expense recognized on a straight-line basis for the years ended December 31, 2020 and 2019 was \$25,018, respectively.

The Organization leases office space in Springfield, Virginia under a month-to-month agreement effective August 1, 2018. During the years ended December 31, 2020 and 2019, \$14,760 and \$14,400, respectively, of rent expense under the new terms was recognized.

The Organization leases office space in the District of Columbia, which expired in December 2020. The lease included provisions for annual adjustments of 3% over the term of the lease. Rent expense recognized on a straight-line basis for the years ended December 31, 2020 and 2019 was \$39,636, respectively.

Minimum future rental payments under operating lease agreements for the years following December 31, 2020 are as follows:

December 31, 2021	\$	113,741
2022		116,723
2023		96,852
2024		94,642
2025		<u>15,838</u>
Total minimum future rental payments	\$	<u><u>437,796</u></u>

Adoptions Together, Inc.

Notes to Financial Statements December 31, 2020 and 2019

Capital leases

The Organization leases office equipment under a capital lease. The lease expires in December, 2025. Capital leases are equipment acquisitions made under lease financing. Future minimum lease obligations under these capital leases as of December 31, 2020 are as follows:

December 31, 2021	\$	11,153
2022		11,153
2023		11,153
2024		11,153
2025		<u>11,153</u>
Total minimum future rental payments		55,765
Less amount representing interest		<u>(6,513)</u>
Present value of capital lease obligation		49,252
Less current portion		<u>(8,893)</u>
Long-term portion	\$	<u><u>40,359</u></u>

As of December 31, 2020 and 2019, capitalized leased equipment of \$49,252 and \$77,143, respectively, net of accumulated amortization of \$- and \$69,566, respectively, is included in furniture and equipment.

Note 7 - Paycheck Protection Program Loan Forgiveness

On May 7, 2020, the Organization entered into an unsecured promissory note with Sandy Spring Bank for an aggregate principal amount of approximately \$395,100 pursuant to the Paycheck Protection Program (the "PPP Loan"), which was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration (the "SBA"). The PPP Loan promissory note contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in the repayment of all amounts outstanding and/or filing suit and obtaining judgement against the Organization.

Under the CARES Act, PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. While the Organization believes it met the SBA's criteria in 2020, it did not submit its application for PPP Loan forgiveness as of December 31, 2020.

The Organization submitted its application for PPP Loan forgiveness subsequent to December 31, 2020 and received its notice from its lender, Sandy Spring Bank, on June 11, 2021 that the SBA approved forgiveness of the full amount of the PPP Loan and the related interest thereon. Accordingly, the Organization will derecognize \$395,100 of the PPP Loan and recognize a corresponding gain on debt forgiveness for the year ending December 31, 2021. There is a six-year period during which the SBA can review the Organization's forgiveness calculation.

Adoptions Together, Inc.

Notes to Financial Statements December 31, 2020 and 2019

Note 8 - Retirement plan

The Organization maintains a 401(k) plan for all employees who have completed one year of service. The plan provides for employee contributions and an employer matching contribution up to 6% of salary. Vesting in the benefits provided through employer contributions to the plan is based on years of service with full vesting after six years. For the years ended December 31, 2020 and 2019, employer contributions were \$20,000 each year.

Note 9 - Line of credit

The Organization has a \$100,000 unsecured line of credit agreement with a bank. The line of credit bears interest at 3.75% and is renewable annually. There was no outstanding balance on the line of credit at December 31, 2020 and 2019.

Note 10 - Concentrations

Approximately 43% or \$1,468,739 of revenue during 2020 was generated from services performed for state and local government agencies. Receivables at December 31, 2020 from state and local government agencies accounted for 100% of receivables.

Approximately 39% or \$1,302,302 of revenue during 2019 was generated from services performed for state and local government agencies. Receivables at December 31, 2019 from state and local government agencies accounted for 100% of receivables.

The Organization maintains its cash and cash equivalents in one bank. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2020.

Note 11 - Contingencies

The Organization received financial assistance from state and city governments in the form of contracts. Entitlement to the resources requires compliance with terms of the contract agreements and applicable regulations, including the provision of services per the contractual requirements of the resources for allowable purposes. Substantially all contracts are subject to financial and compliance audits by the contractors. Neither state or city governments have performed a compliance audit; therefore, as of December 31, 2020, the Organization estimates that adjustments, if any, as a result of such audits would not be material to its financial position.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity, which could result in a loss of lease revenue and other material adverse effects to the Organization's financial position, results of operations, and cash flows. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact.

Adoptions Together, Inc.

**Notes to Financial Statements
December 31, 2020 and 2019**

Note 12 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through November 16, 2021 (the date the financial statements were available to be issued) and concluded that, other than as discussed in Note 7, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



Independent Member of Nexia International

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