

COMMITTEE ON THE SHELTERLESS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Committee on the Shelterless
Petaluma, California

We have audited the accompanying financial statements of Committee on the Shelterless (a nonprofit corporation), which comprise the statement of financial position as of June 30, 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.

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. 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 judgement, 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 evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation 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.



Goranson and Associates, Inc.

717 College Avenue, First Floor, Santa Rosa, CA 95404 Phone: 707/542-1256 Fax 707/978-3090

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Committee on the Shelterless as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited the Committee on the Shelterless' financial statements for the year ended June 30, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 13, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Goranson and Associates, Inc.

January 22, 2020

Santa Rosa, CA

COMMITTEE ON THE SHELTERLESS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

(With summarized comparative totals for June 30, 2018)

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 619,288	\$ 1,467,443
Grants receivable	168,648	565,393
Promises to give, net of allowance for uncollectible promises of \$17,000	160,592	144,949
Prepaid expenses	40,670	28,812
Total current assets	989,198	2,206,597
Fixed assets:		
Construction in progress	87,967	35,237
Mary Isaak Center (MIC)	5,068,769	4,845,672
Real property	471,993	471,993
Capitalized interest - MIC	27,384	27,384
Leasehold improvements	609,586	609,586
Furniture, fixtures and equipment	315,627	281,739
Vehicles	84,542	84,542
Subtotal	6,665,868	6,356,153
Less accumulated depreciation	(3,486,086)	(3,246,256)
Net fixed assets	3,179,782	3,109,897
Other assets:		
Promises to give, net of current portion and discounts	178,646	320,074
Investments	2,437,905	2,312,102
Deposits	55,800	55,800
Total other assets	2,672,351	2,687,976
Total assets	\$ 6,841,331	\$ 8,004,470

The accompanying notes are an integral part of these financial statements

COMMITTEE ON THE SHELTERLESS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

(With summarized comparative totals for June 30, 2018)

	2019	2018
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 270,443	\$ 310,053
Deferred revenue	4,502	-
Total liabilities	274,945	310,053
Net assets		
Without donor restriction:		
Undesignated	1,540,482	2,123,253
Board-designated quasi endowment	1,625,770	1,625,770
Board-designated	450,000	450,000
Total without donor restriction	3,616,252	4,199,023
With donor restriction:		
Temporarily restricted	2,950,134	3,495,394
Total with donor restriction	2,950,134	3,495,394
Total net assets	6,566,386	7,694,417
Total liabilities and net assets	\$ 6,841,331	\$ 8,004,470

The accompanying notes are an integral part of these financial statements

COMMITTEE ON THE SHELTERLESS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

(With summarized comparative information for the year ended June 30, 2018)

	Without donor restriction	With donor restriction	2019 Totals	2018 Totals
Support:				
Contributions	\$ 825,571	\$ 1,833	\$ 827,404	\$ 1,578,741
Grants	1,858,666	213,060	2,071,726	2,030,147
Contract revenue	182,293	-	182,293	184,111
In-kind contributions	404,438	-	404,438	1,320,738
Total public support	<u>3,270,968</u>	<u>214,893</u>	<u>3,485,861</u>	<u>5,113,737</u>
Revenue:				
Rental income	558,205	-	558,205	535,790
Other income	6,613	-	6,613	5,826
Net assets released from restriction	760,153	(760,153)	-	-
Total other revenue	<u>1,324,971</u>	<u>(760,153)</u>	<u>564,818</u>	<u>541,616</u>
Total support and revenue	<u>4,595,939</u>	<u>(545,260)</u>	<u>4,050,679</u>	<u>5,655,353</u>
Expenses:				
Program services				
Emergency shelter	1,239,594		1,239,594	1,112,454
Permanent housing	1,211,492		1,211,492	1,118,811
Food programs	494,114		494,114	1,370,456
Supportive services	1,102,544		1,102,544	620,475
Total program expenses	<u>4,047,744</u>		<u>4,047,744</u>	<u>4,222,196</u>
Supporting services:				
Administration	689,695		689,695	455,339
Fundraising	565,195		565,195	574,305
Total expenses	<u>5,302,634</u>		<u>5,302,634</u>	<u>5,251,840</u>
Change in net assets from operations	<u>(706,695)</u>	<u>(545,260)</u>	<u>(1,251,955)</u>	<u>403,513</u>
Other income:				
Net investment income	123,924	-	123,924	138,982
Change in net assets	(582,771)	(545,260)	(1,128,031)	542,495
Net assets, beginning of year	<u>4,199,023</u>	<u>3,495,394</u>	<u>7,694,417</u>	<u>7,151,922</u>
Net assets, end of year	<u>\$ 3,616,252</u>	<u>\$ 2,950,134</u>	<u>\$ 6,566,386</u>	<u>\$ 7,694,417</u>

The accompanying notes are an integral part of these financial statements

COMMITTEE ON THE SHELTERLESS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

(With summarized comparative information for the year ended June 30, 2018)

	Emergency Shelters	Permanent Housing	Food Programs	Supportive Services	Total Program	Management and General	Fundraising	2019 Total	2018 Total
Personnel Expense	\$ 868,692	\$ 278,810	\$ 145,346	\$ 407,936	\$ 1,700,784	\$ 610,160	\$ 371,350	\$ 2,682,294	\$ 2,287,404
Operating Expense	178,463	165,201	34,432	94,319	472,415	197,892	174,036	844,343	2,452,415
Program expenses	30,273	663,306	247,979	585,459	1,527,017	-	6,664	1,533,681	264,990
Uncollectible pledges/Bad Debt Exp	-	2,281	-	-	2,281	-	205	2,486	34,620
Site services allocation	47,408	38,835	27,879	6,792	120,914	(126,299)	5,385	-	-
Subtotal	<u>1,124,836</u>	<u>1,148,433</u>	<u>455,636</u>	<u>1,094,506</u>	<u>3,823,411</u>	<u>681,753</u>	<u>557,640</u>	<u>5,062,804</u>	<u>5,039,429</u>
Depreciation and amortization	<u>114,758</u>	<u>63,059</u>	<u>38,478</u>	<u>8,038</u>	<u>224,333</u>	<u>7,942</u>	<u>7,555</u>	<u>239,830</u>	<u>212,411</u>
Total expenses	<u>\$ 1,239,594</u>	<u>\$ 1,211,492</u>	<u>\$ 494,114</u>	<u>\$ 1,102,544</u>	<u>\$ 4,047,744</u>	<u>\$ 689,695</u>	<u>\$ 565,195</u>	<u>\$ 5,302,634</u>	<u>\$ 5,251,840</u>

The accompanying notes are an integral part of these financial statements

COMMITTEE ON THE SHELTERLESS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

(With summarized comparative information for the year ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,128,031)	\$ 542,495
Adjustments to reconcile change in net assets to cash from operations		
Depreciation and amortization	239,830	212,411
Realized and unrealized gain on investments	79,262	118,250
(Increase) decrease in:		
Grants receivable	396,745	(489,640)
Promises to give	125,785	171,908
Prepaid expenses	(11,858)	(4,027)
Deposits	-	(2,805)
Increase (decrease) in:		
Accounts payable and accrued expenses	(39,610)	47,167
Deferred revenue	4,502	-
Total cash provided (used) by operations	(333,375)	595,759
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in investments held	(205,065)	(545,092)
Purchase of property and equipment	(309,715)	(70,135)
Total cash used by investing activities	(514,780)	(615,227)
NET CHANGE IN CASH	(848,155)	(19,468)
CASH AND CASH EQUIVALENTS, beginning of year	1,467,443	1,486,911
CASH AND CASH EQUIVALENTS, end of year	\$ 619,288	\$ 1,467,443

The accompanying notes are an integral part of these financial statements

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 ORGANIZATION

Committee on the Shelterless (COTS) organized as a nonprofit corporation in 1988. COTS serves over 2,400 children and adults total, with 1,200 sheltered & housed, in 326 beds. Each year providing emergency food by serving over 137,000 meals, as well as providing shelter, transitional housing, and permanent supportive housing located in Petaluma and Rohnert Park, California. COTS achieves program excellence through the development and implementation of programs and supportive services informed by research into Adverse Childhood Experiences (ACEs) and Resiliency Theory (RT), structured within a framework developed by Restorative Integral Support (RIS). COTS reach and effectiveness can be felt across Sonoma County. COTS is primarily supported by public and private monies.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – COTS reports information regarding its financial position and activities on an accrual basis according to two classes of net assets: net assets without donor restriction and net assets with donor restriction

Net assets without donor restriction – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restriction – Net assets that are subject to donor-imposed stipulations that may be fulfilled by actions of COTS to meet the stipulations or that become net assets without donor restriction at the date specified by the donor.

Net assets released from donor restriction – Net assets with donor restriction are “released” to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Other Basis of Presentation Policies – Revenues or support are reported as increases in unrestricted net assets unless subject to donor-imposed restrictions. If temporary restrictions are fulfilled in the same time period the revenue or support is received, COTS reports the revenue or support as unrestricted. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless restricted by explicit donor stipulation or by law.

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents – COTS considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

COTS maintains cash balances at local financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, COTS held cash and cash equivalent balances in excess of federally insured limits. At June 30, 2019, the balance over the FDIC limit is \$150,156.

Accounts receivable – Accounts receivable are monies due from county agencies for services performed the prior month. Management has created an allowance based on historical collectability after county reconciliation of the cost settlement reports.

Promises to give receivable – Promises to give receivable is the amount remaining from promises issued by donors each year. Management has reviewed the historical collectability of the promises and set up an allowance. All promises in excess of twelve months is discounted at a rate determined by management.

Investments – Investments are made up of stocks, mutual funds, treasury funds and certificates of deposits and are reported at their fair values in the statement of financial position. The fair value of the equities securities are based upon quoted prices in active markets (Level 1 measurements). Realized and unrealized gains and losses are included in the change in net assets and are included in the statement of activities as net realized and unrealized gains on investments.

Fair Value Measures – COTS reports its fair value measures by using a fair value hierarchy defined by generally accepted accounting principles (GAAP) that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measures, continued – The three level of the fair value hierarchy under GAAP are:

Level 1 – Unadjusted quoted prices in active markets accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices for valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (inputs are supported by little or no market activity).

Fixed Assets – Fixed assets are carried at cost or at estimated fair market value at date of donation or purchase. Depreciation is calculated using the straight-line method over the useful life of the asset. Property and equipment acquired by COTS is deemed to be owned by COTS; however, funding sources may maintain an equitable interest in the property acquired with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. Property and equipment acquired with explicit restrictions regarding their use are reported as restricted support, absent donor stipulations regarding how long-lived donated assets must be maintained, COTS reports expirations of donor restrictions when the donated or acquired property is placed into service. COTS reclassified temporarily restricted net assets to unrestricted net assets at that time. It is COTS policy to capitalize assets over \$5,000.

Income Taxes – COTS is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3) and California Franchise Tax Board Code Section 23701(d). Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined COTS is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

Management of COTS considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to COTS status as a not-for-profit entity. Management believes COTS met the requirements to maintain its tax-exempt status and has not income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. COTS tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes, continued – COTS evaluation on June 30, 2019 revealed no tax positions that would have a material impact on the financial statements. COTS does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activity. Accordingly, certain costs have been allocated among the programs and supporting services.

Allocation Methodology – Costs that benefit more than one program are allocated on the basis of usage.

Donated Services and Items – Some people have contributed amounts of time and inventory to the activities of COTS without compensation. The financial statements do not reflect the value of those contributed services and items because no reliable basis exists for determining an appropriate valuation.

Reclassifications – Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Summarized Financial Information – The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with COTS financial statements for the year ended June 30, 2018, from which the summarized information was derived.

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 LIQUIDITY

COTS' working capital and cash flows have seasonal variations during the year attributable to the annual COTS Hour and contributions received near calendar year-end. To manage liquidity COTS maintains a line of credit of \$200,000 with Exchange Bank that is available to be drawn upon as needed during the year to manage cash flow and is then repaid in full by the end of the fiscal year. No funds were drawn against the line of credit in Fiscal Year 2018/2019. The following reflects COTS' financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.

Financial assets at year end	
Cash and cash equivalents	\$ 619,288
Grants receivable	168,648
Pledges receivable	339,238
Investments	<u>2,437,905</u>
Total financial assets	3,565,079
Less financial assets with donor restrictions, net of restricted fixed assets	(836,159)
Less board designations	<u>(2,075,770)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 653,150</u></u>

NOTE 4 PROMISES TO GIVE

Unconditional promises to give consist of the following:

City of Petaluma, value of facilities	\$ 109,960
Private Parties	<u>237,278</u>
Total (current and long term)	<u><u>\$ 339,238</u></u>

The value of the facilities provided under the lease with the City of Petaluma was estimated by COTS management and the landlord based on comparable market rents. Financial reporting reflects discounts of \$, to net present value, and allowance for uncollectible promises of \$17,000. Bad debt expense for the year ended June 30, 2019 was \$2,486.

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 FAIR VALUE MEASUREMENTS AND INVESTMENTS

In 2003, COTS opened an endowment fund with Community Foundation of Sonoma County (CFSC), a 501(c)(3) organization. The nature of the funds held by CFSC are investment funds held as component parts under Treasury Regulation Sec 1.170A-9-(e)(11). The Board of Directors of COTS has adopted the investment policy of CFSC. The board of directors of CFSC has adopted a Total Return Concept which can offer the advantage of designing long-term investment strategies to provide for a balance between current income and capital appreciation. The CFSC investment advisory committee meets at least annually to review asset allocation policy to determine if established guidelines are appropriate to adopted investment goals. Investments are reported based on quoted market prices.

The following table sets forth, by level within the fair value hierarchy, COTS assets measured at fair value at June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equity Securities	\$ 167,795		\$ 167,795
Bond Funds	108,599		108,599
Short-term reserve	36,062		36,062
Pooled investments	-	\$ 2,125,449	2,125,449
Total	<u>\$ 312,456</u>	<u>\$ 2,125,449</u>	<u>\$ 2,437,905</u>

Investment income for the year ended June 30, 2019 is:

Interest and dividend income	\$ 69,100
Net realized gains (losses)	44,734
Net unrealized gains (losses)	34,528
Investment fees	<u>(24,438)</u>
Total investment return	<u>\$ 123,924</u>

NOTE 6 LINE OF CREDIT

COTS has a line of credit with a local financial institution that originated March 2019 and matures April 2020. The amount available is \$200,000 and the interest rate is 7.75 percent. There was no balance on the line of credit at June 30, 2019.

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 IN-KIND DONATIONS

COTS received \$404,437 of in-kind donations that consist of food for the kitchen program, in-kind rent and other miscellaneous donations for the year ended June 30, 2019.

NOTE 8 LEASE COMMITMENTS

COTS has property leases with the City of Petaluma, California for terms ranging from month-to-month to 19 years remaining. Rent of \$1 per year per house has been paid for the renewal of some of the leases. No future minimum lease obligations remain. COTS is restricted to using the premises as emergency shelter for singles, transitional housing for families with children, and shared transitional housing for singles, administrative offices, a community kitchen, and social service programs related to family emergency housing.

COTS also leases houses and apartments from private rental firms and individuals. Most of these lease arrangements are month-to-month. Program occupancy costs for the year ended June 30, 2019 are \$712,380.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS – TEMPORARY

In 2003, COTS constructed a building (Mary Isaak Center) on land owned by the City of Petaluma to provide emergency shelter and transitional housing to the homeless or disenfranchised. The cost of land improvements and building construction was paid for by public funds, government grants, and two notes payable. The Mary Isaak Center was substantially completed and operating in 2004. Total cost of acquisition and construction was \$760,839, including cost of the land improvement and leasehold improvements. The two loans totaling \$1,000,000 were forgiven in the current year ended June 30, 2015, and the restrictions on the grant received by the United States Department of Housing and Urban Development in the amount of \$400,000 will be removed by 2024, if the building continues to operate as an emergency shelter or transitional housing. COTS does not intend to change its use. Both loans and the grant are secured by land and the building. The balance at June 30, 2019 for the building is \$2,113,976.

COTS also had net assets with temporary donor restrictions that have time and program restrictions. The balance at June 30, 2019 is \$836,159.

Total net assets with temporary donor restrictions as June 30, 2019 is \$2,950,135.

COMMITTEE ON THE SHELTERLESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 NET ASSETS WITH BOARD DESIGNATIONS

COTS has board designations set up as follows at June 30, 2019:

Operating reserve	\$ 450,000
Quasi endowment	<u>1,625,770</u>
Total board designations	<u>\$ 2,075,770</u>

NOTE 11 403(b) PLAN

COTS has a 403(b) Plan (Plan) to provide retirement and incidental benefits for its employees. Eligible employees may make elective deferral contributions to the Plan, up to maximum annual amounts as set periodically by the Internal Revenue Service. COTS may make discretionary contributions to participating employees' qualified compensation. COTS did not contribute for the year ended June 30, 2019.

NOTE 12 CHANGE IN ACCOUNTING PRINCIPLE

The financial statements have been changed to adopt ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition. This change has been applied to both the current year and the prior year summarized information.

NOTE 13 SUBSEQUENT EVENTS

COTS has evaluated subsequent events through January 22, 2020, the date the financial statements were available to be issued and determined that there were no events occurring subsequent to June 30, 2019 that would have a material impact on COTS results of operations or financial position other than stated below.

COTS purchased a home subsequent to yearend at June 30, 2019 for \$545,000. The home is part of the permanent housing program. The home was funded primarily by a grant and a small portion with the line of credit.