

# HORIZONS GREATER WASHINGTON INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019 AND 2018



*Certified Public Accountants*



## Table of Contents

### Independent Auditor's Report

### Financial Statements

Statements of Financial Position.....	4
Statements of Activities.....	5 - 6
Statements of Functional Expenses.....	7 - 8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10 - 16



*Certified Public Accountants*

## **Independent Auditor's Report**

To the Board of Directors  
**Horizons Greater Washington Inc.**

We have audited the accompanying financial statements of **Horizons Greater Washington Inc.** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and 2018, 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 from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Horizons Greater Washington Inc.** as of September 30, 2019 and 2018, 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.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
September 17, 2020

# Horizons Greater Washington Inc.

## Statements of Financial Position

September 30,

2019

2018

### Assets

Cash and cash equivalents	\$ 399,327	\$ 368,475
Grants and contributions receivable	352,457	96,363
Prepaid expenses	8,788	15,588
Investments held by third party trustee	142,210	115,967
Total assets	<u>\$ 902,782</u>	<u>\$ 596,393</u>

### Liabilities and net assets

Accounts payable	\$ 46,877	\$ 35,514
Accrued payroll costs	34,362	5,975
Deferred revenue	7,500	16,228
Total liabilities	<u>88,739</u>	<u>57,717</u>

### Net assets

Without donor restrictions	584,043	538,676
With donor restrictions	230,000	-
Total net assets	<u>814,043</u>	<u>538,676</u>
Total liabilities and net assets	<u>\$ 902,782</u>	<u>\$ 596,393</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Horizons Greater Washington Inc.

## Statement of Activities

for the year ended September 30, 2019

---

	Without donor restrictions	With donor restrictions	Total
<b>Revenue</b>			
Contributions and grants	\$ 689,131	\$ 230,000	\$ 919,131
Special events revenue, net of direct benefits of \$71,074	281,273	-	281,273
Donated materials, services and rents	174,135	-	174,135
Government grants	141,442	-	141,442
Application fees	6,310	-	6,310
Other income	37	-	37
Investment income, net	792	-	792
Total revenue	<u>1,293,120</u>	<u>230,000</u>	<u>1,523,120</u>
<b>Expenses</b>			
Program services	933,678	-	933,678
Supporting services			
Management and general	193,149	-	193,149
Fundraising	120,926	-	120,926
Total expenses	<u>1,247,753</u>	<u>-</u>	<u>1,247,753</u>
<b>Change in net assets</b>	45,367	230,000	275,367
<b>Net assets, beginning of year</b>	538,676	-	538,676
<b>Net assets, end of year</b>	<u>\$ 584,043</u>	<u>\$ 230,000</u>	<u>\$ 814,043</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Horizons Greater Washington Inc.

## Statement of Activities

for the year ended September 30, 2018

	Without donor restrictions	With donor restrictions	Total
<b>Revenue</b>			
Contributions and grants	\$ 669,813	\$ -	\$ 669,813
Special events revenue, net of direct benefits of \$53,477	204,920	-	204,920
Donated materials and services	129,242	-	129,242
Government grants	77,916	-	77,916
Application fees	6,368	-	6,368
Other income	5,308	-	5,308
Investment income, net	2,811	-	2,811
Net assets released from restrictions	124,300	(124,300)	-
Total revenue	<u>1,220,678</u>	<u>(124,300)</u>	<u>1,096,378</u>
<b>Expenses</b>			
Program services	851,038	-	851,038
Management and general	102,797	-	102,797
Fundraising	87,586	-	87,586
Total expenses	<u>1,041,421</u>	<u>-</u>	<u>1,041,421</u>
<b>Change in net assets</b>	179,257	(124,300)	54,957
<b>Net assets, beginning of year</b>	<u>359,419</u>	<u>124,300</u>	<u>483,719</u>
<b>Net assets, end of year</b>	<u>\$ 538,676</u>	<u>\$ -</u>	<u>\$ 538,676</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Horizons Greater Washington Inc.

## Statement of Functional Expenses for the year ended September 30, 2019

	Program services	Management and general	Fundraising	Total
<b>Expenses</b>				
Bank fees	\$ -	\$ 7,270	\$ -	\$ 7,270
Cost of direct benefits to donors	-	-	71,074	71,074
Dues and subscriptions	6,915	5,663	-	12,578
Employee benefits	8,062	3,206	4,640	15,908
Field trips	3,168	-	-	3,168
Food and hospitality	50,369	53,170	-	103,539
Insurance	9,938	3,580	-	13,518
Miscellaneous	11,465	41	-	11,506
Payroll processing fees	-	7,751	-	7,751
Payroll taxes	42,663	6,461	10,227	59,351
Pool rental	10,740	-	-	10,740
Printing and postage	2,907	-	1,908	4,815
Professional development	11,758	2,111	-	13,869
Professional fees	-	13,572	-	13,572
Recruitment	-	4,094	-	4,094
Salaries and wages	515,970	65,793	104,151	685,914
Supplies	8,264	2,002	-	10,266
Taxes and licenses	-	4,335	-	4,335
Technology and telecommunications	7,342	3,556	-	10,898
Transportation	74,832	-	-	74,832
Travel	3,488	2,206	-	5,694
	767,881	184,811	192,000	1,144,692
<b>Donated materials and services</b>				
Rent, contributed	101,750	-	-	101,750
Transportation	35,000	-	-	35,000
Food and hospitality	27,500	-	-	27,500
Miscellaneous	329	8,338	-	8,667
Supplies	1,218	-	-	1,218
Total expenses by function	933,678	193,149	192,000	1,318,827
<b>Less expenses included with revenues on the statement of activities</b>				
Cost of direct benefits to donors	-	-	(71,074)	(71,074)
Total expenses included in the expense section on the statement of activities	\$ 933,678	\$ 193,149	\$ 120,926	\$ 1,247,753

The accompanying independent auditor's report and notes are an integral part of the financial statements.

## Horizons Greater Washington Inc.

### Statement of Functional Expenses for the year ended September 30, 2018

	Program services	Management and general	Fundraising	Total
<b>Expenses</b>				
Bank fees	\$ -	\$ 5,646	\$ -	\$ 5,646
Cost of direct benefits to donors	-	-	53,477	53,477
Dues and subscriptions	9,331	6,154	-	15,485
Employee benefits	11,154	5,883	2,400	19,437
Field trips	4,079	-	-	4,079
Food and hospitality	56,221	1,506	-	57,727
Insurance	11,574	921	-	12,495
Miscellaneous	136	6,281	-	6,417
Payroll taxes	36,431	7,619	6,248	50,298
Pool rental	9,800	-	-	9,800
Printing and postage	726	-	4,583	5,309
Professional development	5,602	476	-	6,078
Professional fees	-	19,067	-	19,067
Salaries and wages	493,814	45,163	74,355	613,332
Supplies	16,211	795	-	17,006
Technology and telecommunications	1,218	1,368	-	2,586
Transportation	71,327	-	-	71,327
Travel	215	1,918	-	2,133
	<u>727,839</u>	<u>102,797</u>	<u>141,063</u>	<u>971,699</u>
<b>Donated materials and services</b>				
Rent, contributed	60,699	-	-	60,699
Transportation	35,000	-	-	35,000
Food and hospitality	27,500	-	-	27,500
Total expenses by function	<u>851,038</u>	<u>102,797</u>	<u>141,063</u>	<u>1,094,898</u>
<b>Less expenses included with revenues on the statement of activities</b>				
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>(53,477)</u>	<u>(53,477)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 851,038</u>	<u>\$ 102,797</u>	<u>\$ 87,586</u>	<u>\$ 1,041,421</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.



# Horizons Greater Washington Inc.

## Statements of Cash Flows

for the years ended September 30,

2019

2018

### Cash flows from operating activities

Change in net assets	\$ 275,367	\$ 54,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(792)	(2,743)
Proceeds from donated stock	-	(35,818)
Decrease (increase) in operating assets		
Grants and contributions receivable	(256,094)	42,437
Prepaid expenses	6,800	(6,743)
Increase (decrease) in operating liabilities		
Accounts payable	11,363	35,014
Accrued payroll costs	28,387	(865)
Deferred revenue	(8,728)	16,228
Net cash provided by operating activities	<u>56,303</u>	<u>102,467</u>

### Cash flows from investing activities

Purchase of investments and reinvestments	<u>(25,451)</u>	<u>(24,932)</u>
Net cash used in investing activities	<u>(25,451)</u>	<u>(24,932)</u>

### Net change in cash and cash equivalents

30,852 77,535

### Cash and cash equivalents- beginning of year

368,475 290,940

### Cash and cash equivalents- end of year

\$ 399,327 \$ 368,475

### Supplemental disclosure of cash flow information

Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Horizons Greater Washington Inc.

## Notes to Financial Statements September 30, 2019 and 2018

---

### 1. Organization

Horizons Greater Washington Inc. (Horizons) is a nonprofit organization that develops public-private partnerships between independent and public school communities to provide academic, cultural, and recreational programs designed to empower economically disadvantaged students to realize their full potential. Horizons' primary sources of revenue are contributions and events.

Horizons Greater Washington Inc. is an affiliate of Horizons National, which began in 1964 as a summer program for low-income students in Fairfield County, Connecticut. The first Horizons site in the DC area was launched in 2000 as a partnership between Maret School and H.D. Cooke Elementary School. The program began with a class of 16 first graders and added a grade each year. In January 2008, Horizons at Maret welcomed a second partner school, Bancroft Elementary School. In May 2009, Horizons expanded to a second host school, St. Patrick's Episcopal Day School. Horizons Greater Washington was incorporated that fall to manage both sites, and in February 2010, it expanded into Montgomery County, when Norwood School in Bethesda became the third host school in partnership with Rock Creek Forest Elementary School.

The global pandemic caused by the novel coronavirus (COVID-19) continues to impact programs and activities during 2020. In May, the annual Spring Splash fundraiser was moved to a virtual event. In addition, the summer programming that typically hosts over 300 students at the various school sites was restructured as a fully virtual experience named "Horizon at Home." Horizons continues to be deeply committed to providing each Horizons student an unparalleled summer learning experience that excites and engages them.

### 2. Summary of significant accounting policies

#### Basis of accounting

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

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 in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a donor-advised fund.

Net assets with donor restrictions are net assets subject to donor-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.

#### 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 disclosures 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.

See independent auditor's report.

# Horizons Greater Washington Inc.

## Notes to Financial Statements September 30, 2019 and 2018

---

### **Cash and cash equivalents**

Horizons maintains its cash in various bank accounts which, at times, may exceed federally insured limits. FDIC insurance on interest-bearing accounts is \$250,000 per depositor, per insured bank. At September 30, 2019 and 2018, Horizons' cash exceeded the FDIC limit by \$152,203 and \$121,264, respectively. Horizons has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### **Grants and contributions receivable**

Grants and contributions receivable are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give, including pledges receivable, are recognized as revenues in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Grants and contributions receivable are measured at fair market value and are expected to be collected within one year. Accordingly, management does not believe that an allowance is necessary.

### **Investments held by third party trustee**

Investments of Horizons are held by the agent, The Greater Washington Community Foundation (the Foundation). Under this agency fund agreement, Horizons has a non-endowed fund managed by the Foundation under the investment policies and investment direction of the Foundation. Horizons has an interest in the pooled investment funds maintained by the Foundation in the "Combined Investment Fund" (CIF). Distributions from the fund are available quarterly with prior written notice provided via email or letter by one of the assigned fund advisors as outlined in the agency fund agreement. Horizons pays an administrative fee to the Foundation of 1.1% for the accounting and reporting services, which are deducted from the investment assets in quarterly payments.

### **Property and equipment**

Horizons capitalizes all property and equipment with a useful life of more than one year and an acquisition value of over \$5,000. Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the property or equipment. As of September 30, 2019 and 2018, there were no purchases of property and equipment meeting the capitalization threshold and therefore no property and equipment or depreciation reported.

### **Other financial assets and liabilities**

Financial assets with carrying values approximating fair value include cash and cash equivalents, grants and contributions receivables, and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable, accrued payroll costs and deferred revenue. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

### **Contributions and grants**

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Horizons reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

# Horizons Greater Washington Inc.

## Notes to Financial Statements September 30, 2019 and 2018

---

### **Donated materials and services**

Donated materials are recorded at their fair value at the date of the gift. Donated services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation.

### **Functional classification of expenses**

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses are charged to programs and supporting services based on a combination of specific identification and allocation by management. Certain categories of expenses are attributed to more than one function and have been allocated on a reasonable basis that is consistently applied. Allocated expenses include salaries and wages, payroll taxes and employee benefits.

### **Fair value measurements**

Accounting standards require companies to determine fair value based on the price that would be received to sell the asset or paid to transfer the liability to a market participant. A three-level hierarchy for disclosure of fair value measurements is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of the fair value hierarchy are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

### **Income taxes**

Horizons Greater Washington Inc. is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. Horizons did not have a liability for unrelated business income taxes for the years ended September 30, 2019 and 2018.

The material jurisdictions subject to potential examination by taxing authorities include the U.S. and the District of Columbia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Organization's results of operations. Tax years that are subject to examination by the IRS include the fiscal years ended September 30, 2016 through 2019.

### **New accounting pronouncements**

The FASB issued ASU 2014-09 (as amended by ASU 2015-14), which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes current industry-specific guidance. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2019. The Organization adopted the standard on its effective date, which for the Organization was October 1, 2020. The Organization has not evaluated the impact of this statement.

See independent auditor's report.

# Horizons Greater Washington Inc.

## Notes to Financial Statements September 30, 2019 and 2018

The FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance clarifies how entities will determine whether to account for a transfer of assets (or a reduction, settlement or cancellation of a liability) as an exchange transaction or a contribution and how they will determine whether a contribution is conditional. ASU 2018-08 is effective for annual reporting periods beginning after December 15, 2018. The Organization adopted the standard on its effective date, which for the Organization was October 1, 2019. The Organization has not evaluated the impact of this statement.

### 3. Investments held by third party trustee and fair value hierarchy

Horizons values investments held by a third party trustee, The Greater Washington Community Foundation (the Foundation), based on the fair market value which is generally reported net asset values as obtained from the trustee on a quarterly basis. Underlying securities are comprised of both readily marketable securities and funds as well as hard-to-value securities. This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although Horizons believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

The following table presents the investment assets within the hierarchy measured at fair value on a recurring basis at September 30:

<b>At September 30, 2019:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments held by third party trustee:				
Money market fund	\$ -	\$ -	\$ 14,221	\$ 14,221
Combined investment fund	-	-	127,989	127,989
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,210</u>	<u>\$ 142,210</u>
<b>At September 30, 2018:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments held by third party trustee:				
Money market fund	\$ -	\$ -	\$ 65,260	\$ 65,260
Combined investment fund	-	-	50,707	50,707
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,967</u>	<u>\$ 115,967</u>

Investment return for the years ending September 30, 2019 and 2018 was comprised of the following:

	<u>2019</u>	<u>2018</u>
Dividend and interest income	\$ 2,540	\$ 1,229
Interest income on bank accounts	-	68
Realized and unrealized gains	(1,105)	1,865
Investment management fees	(643)	(351)
	<u>\$ 792</u>	<u>\$ 2,811</u>

See independent auditor's report.

## Horizons Greater Washington Inc.

### Notes to Financial Statements September 30, 2019 and 2018

The table below represents a reconciliation for all Level 3 investment assets measured at fair value on a recurring basis for the years ending September 30:

Balance, October 1, 2017	\$ 52,474
Purchases, issuances, sales	60,750
Dividend and interest income	1,229
Realized and unrealized gains (losses)	1,865
Investment management fees	(351)
Balance, September 30, 2018	<u>\$ 115,967</u>
Purchases, issuances, sales	\$ 25,451
Dividend and interest income	2,540
Realized and unrealized gains (losses)	(1,105)
Investment management fees	(643)
Balance, September 30, 2019	<u>\$ 142,210</u>

The investments held by the third party trustee are valued based on the net asset value of the fund and are available for quarterly redemption or distributions with the prior written request of Horizons.

#### 4. Donor-restricted net assets

Donor-restricted net assets consisted of the following at September 30, 2019 and 2018:

	<u>9/30/2018</u>	<u>Additions</u>	<u>Releases from restrictions</u>	<u>9/30/2019</u>
Time restricted contributions receivable	\$ -	\$ 230,000	\$ -	\$ 230,000
	<u>9/30/2017</u>	<u>Additions</u>	<u>Releases from restrictions</u>	<u>9/30/2018</u>
Time restricted contributions receivable	\$ 99,300	\$ -	\$ (99,300)	\$ -
Inter-American Development Bank grant	25,000	-	(25,000)	-
	<u>\$ 124,300</u>	<u>\$ -</u>	<u>\$ (124,300)</u>	<u>\$ -</u>

These net assets have been classified as donor-restricted based on the inherent time restrictions or purpose restrictions for which the purpose was not met during the year.

#### 5. Retirement plan

Horizons sponsors a defined contribution 401(k) plan covering all full-time employees. Horizons does not make any matching contributions.

See independent auditor's report.

# Horizons Greater Washington Inc.

## Notes to Financial Statements September 30, 2019 and 2018

---

### 6. Commitments and contingencies

Horizons Greater Washington Inc. has executed memorandums of understanding (MOUs) with three host schools, St. Patrick's Episcopal Day School, Maret School, and Norwood School. These memorandums of understanding provide access to the facilities that allows Horizons to administer its programs. These MOUs also outline the in-kind nature of use of the facilities. For the year ended September 30, 2019, all three host schools were able to provide a reasonable estimate of the value of in-kind materials and services. For the year ended September 30, 2018, in-kind materials and services includes an estimate of use from only one host school.

In addition, these MOUs outline certain requirements for Horizons, which include background checks and minimum general liability insurance requirements among other minimum standards. The MOUs also specify that the head of each school serve as an ex-officio member of the Governing Board of Horizons. Termination of the MOUs is required in writing within 60 days of the close of the summer program or with written notice no later than December 31 for the following year's summer program.

Maret School also serves as the headquarters location for Horizons Greater Washington Inc., however Maret School was unable to estimate the value of the use of the facilities year-round.

### 7. Related party transactions

Horizons Greater Washington Inc. is an affiliate of Horizons National. As an affiliate, the Organization is required to make certain payments to the National office, including \$5,698 and \$4,733 for membership fees, which are included in dues and subscriptions in the statements of functional expenses as of September 30, 2019 and 2018, respectively. In turn, Horizons Greater Washington Inc. receives grants from the National office, which totaled \$130,100 and \$21,590 for the years ended September 30, 2019 and 2018, respectively. For the year ended September 30, 2018, \$9,300 of the total grants received were included in contributions and grants receivable.

### 8. Liquidity and availability of resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 399,327	\$ 368,475
Investments held by third party trustee	142,210	115,967
Grants and contributions receivable	122,457	96,363
	<u>\$ 663,994</u>	<u>\$ 580,805</u>

### 9. Subsequent events

Horizons Greater Washington Inc. assessed events occurring subsequent to September 30, 2019 through September 17, 2020, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. Under the "Coronavirus Aid, Relief, and Economic Security (CARES) Act," funds were appropriated for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment for small businesses and nonprofits harmed by COVID-19. The Organization obtained a loan through the SBA Paycheck Protection Program of approximately \$87,400 during April 2020.

No other events have occurred that would require adjustment to or disclosure in the financial statements.

See independent auditor's report.