



ONE HEARTLAND, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019 AND 2018

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Carpenter, Evert & Associates

Certified Public Accountants

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Independent Auditor's Report

Board of Directors
One Heartland, Inc.
Minneapolis, Minnesota

We have audited the accompanying financial statements of One Heartland, Inc. which comprise the statement of financial position as of September 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expense, 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 audits 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 One Heartland, 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.

Carpenter, Ewert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
August 10, 2020

ONE HEARTLAND, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30,	2019	2018
ASSETS		
Cash and cash equivalents	\$ 142	\$ 12,787
Pledges receivable, net	82,100	80,500
Prepaid expenses	1,651	9,352
Unemployment reserves	26,863	22,001
Property and equipment, net	1,536,746	1,664,273
<i>Total assets</i>	\$ 1,647,502	\$ 1,788,913
LIABILITIES AND NET ASSETS		
Checks written in excess of cash balance	\$ 28,609	\$ -
Accounts payable	269,523	247,166
Line of credit	249,827	246,407
Accrued expenses and withholdings	20,438	30,474
Deferred income	15,235	3,790
Long-term debt	447,368	479,910
<i>Total liabilities</i>	1,031,000	1,007,747
NET ASSETS		
Without donor restrictions	520,402	705,666
With donor restrictions	96,100	75,500
<i>Total net assets</i>	616,502	781,166
<i>Total liabilities and net assets</i>	\$ 1,647,502	\$ 1,788,913

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2019

	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 510,649	\$ 66,100	\$ 576,749
Contributions in-kind	380,803	-	380,803
Students/Friends for Camp Heartland	13,635	-	13,635
Special event revenue, including in-kind donations of \$55,865	247,701	-	247,701
Less direct benefit to donor expenses, including in-kind donations of \$55,865	(120,222)	-	(120,222)
Program income	213,803	-	213,803
Rental income	88,255	-	88,255
Other revenues	843	-	843
	1,335,467	66,100	1,401,567
Net assets released from restrictions	45,500	(45,500)	-
<i>Total revenue and support</i>	1,380,967	20,600	1,401,567
EXPENSES			
Program related	1,292,132	-	1,292,132
General and administrative	56,969	-	56,969
Fundraising	217,130	-	217,130
<i>Total expenses</i>	1,566,231	-	1,566,231
<i>Change in net assets</i>	(185,264)	20,600	(164,664)
Net Assets, beginning of year	705,666	75,500	781,166
<i>Net assets, end of year</i>	\$ 520,402	\$ 96,100	\$ 616,502

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF ACTIVITIES

SIX MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 253,237	\$ 15,500	\$ 268,737
Contributions in-kind	304,786	-	304,786
Students/Friends for Camp Heartland	7,087	-	7,087
Special event revenue	31,374	-	31,374
Less direct benefit to donor expenses	(4,911)	-	(4,911)
Program income	195,117	-	195,117
Rental income	96,300	-	96,300
Other revenues	951	-	951
	883,941	15,500	899,441
Net assets released from restrictions	213,236	(213,236)	-
	1,097,177	(197,736)	899,441
EXPENSES			
Program related	968,193	-	968,193
General and administrative	31,558	-	31,558
Fundraising	82,409	-	82,409
	1,082,160	-	1,082,160
	15,017	(197,736)	(182,719)
Net Assets, beginning of year	690,649	273,236	963,885
	\$ 705,666	\$ 75,500	\$ 781,166

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2019

	Program Related Expenses	General and Administrative Expenses	Fundraising Expenses	Total
Salaries	\$ 385,872	\$ 34,860	\$ 68,221	\$ 488,953
Payroll taxes	28,638	2,538	5,075	36,251
Fringe benefits	23,039	1,728	4,032	28,799
Merchant expenses	-	-	1,192	1,192
Professional fees and consultants	31,945	2,396	5,590	39,931
Postage	362	35	10,003	10,400
Public relations, printing and marketing	3,375	-	7,510	10,885
Office supplies	1,171	62	1,841	3,074
Food and kitchen supplies	19,055	-	10	19,065
Telephone and internet	41,429	2,905	8,209	52,543
Utilities	45,038	-	-	45,038
Insurance	44,570	1,572	6,810	52,952
Rent	26,297	1,972	4,602	32,871
Equipment expense	33,438	567	1,309	35,314
Dues and subscription	1,989	-	1,567	3,556
Training	4	135	1,531	1,670
Travel	44,187	-	7,719	51,906
Camp fees and related expense	64,371	-	-	64,371
Bank fees	-	2,754	1,571	4,325
Fundraising events	221	-	23,312	23,533
In-kind contributions	306,127	5,100	57,026	368,253
Cost of direct benefit to donors	-	-	120,222	120,222
Depreciation expense	154,926	-	-	154,926
Interest expense	34,477	-	-	34,477
Outreach expense	1,601	345	-	1,946
Total expenses	1,292,132	56,969	337,352	1,686,453
Less expenses included with revenue and support				
Cost of direct benefit to donors	-	-	(120,222)	(120,222)
Total expenses included in the expense section on the statement of activities	\$ 1,292,132	\$ 56,969	\$ 217,130	\$ 1,566,231

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

SIX MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Program Related Expenses	General and Administrative Expenses	Fundraising Expenses	Total
Salaries	\$ 238,845	\$ 21,047	\$ 42,092	\$ 301,984
Payroll taxes	17,013	1,507	3,015	21,535
Fringe benefits	12,658	949	2,215	15,822
Merchant expenses	-	-	178	178
Professional fees and consultants	23,299	1,747	4,077	29,123
Postage	218	18	2,998	3,234
Public relations, printing and marketing	-	-	2,357	2,357
Office supplies	867	267	174	1,308
Food and kitchen supplies	25,542	-	-	25,542
Telephone and internet	22,171	1,716	4,711	28,598
Utilities	14,721	-	-	14,721
Insurance	23,965	836	2,157	26,958
Rent	13,543	1,016	2,370	16,929
Equipment expense	21,476	374	857	22,707
Dues and subscription	1,004	-	1,124	2,128
Travel	75,475	321	7,269	83,065
Camp fees and related expense	71,964	-	257	72,221
Bank fees	-	1,760	28	1,788
Fundraising events	90	-	303	393
In-kind contributions	298,559	-	6,227	304,786
Cost of direct benefit to donors	-	-	4,911	4,911
Depreciation expense	76,338	-	-	76,338
Interest expense	26,719	-	-	26,719
Outreach expense	3,726	-	-	3,726
Total expenses	968,193	31,558	87,320	1,087,071
Less expenses included with revenue and support				
Cost of direct benefit to donors	-	-	(4,911)	(4,911)
Total expenses included in the expense section on the statement of activities	\$ 968,193	\$ 31,558	\$ 82,409	\$ 1,082,160

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF CASH FLOWS

	Year Ended September 30, 2019	Six Month Period Ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (164,664)	\$ (182,719)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	154,926	76,338
Amortization of debt issuance costs	646	646
Donated property and equipment	(12,550)	-
Net change in assets and liabilities:		
Pledges receivable	(1,600)	34,000
Prepaid expenses	7,701	(5,578)
Unemployment reserves	(4,862)	1,068
Checks written in excess of cash balance	28,609	-
Accounts payable	22,357	140,783
Accrued expenses and withholding	(10,036)	11,431
Deferred income	11,445	1,165
<i>Net cash provided by operating activities</i>	31,972	77,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(14,849)	(232,700)
<i>Net cash used by investing activities</i>	(14,849)	(232,700)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds (payments) on line of credit	3,420	149,855
Principal payments on long term debt	(33,188)	(6,966)
<i>Net cash provided (used) by financing activities</i>	(29,768)	142,889
<i>Net decrease in cash and cash equivalents</i>	(12,645)	(12,677)
Cash and cash equivalents, beginning of year	12,787	25,464
<i>Cash and cash equivalents, end of year</i>	\$ 142	\$ 12,787
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	\$ 39,704	\$ 28,579

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

One Heartland, Inc. (the Organization) strives to improve the lives of children, youth, and families facing significant health challenges or social isolation. The Organization is incorporated in Wisconsin and its headquarters and camp facility are located in Minnesota. The Organization's main source of revenue is donations.

The Board of Directors approved a change in the fiscal year-end of the Organization to September 30, effective September 30, 2018.

Basis of presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958. Under ASC 958, One Heartland, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Recently Issued Accounting Pronouncements:

In May 2014, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides guidance for accounting for revenue from contracts with customers. The new guidance outlines a single comprehensive model for companies to use in accounting for revenue from contracts with customers. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It can be adopted using either a retrospective approach or a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2020 with early adoption permitted. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In June 2018, FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this guidance is the determination on whether two parties receive and sacrifice commensurate value to distinguish which guidance should be applied. FASB 958-605, Not-for-Profit Entities – Revenue Recognition, should be followed for contributions while FASB 606, Revenue from Contracts with Customers, should be followed for exchange transactions. For private companies and organizations, the ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It should be applied on a modified prospective basis with retrospective application being permitted. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations:

The Organization maintains certain cash accounts in commercial banks. At times, such cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Promises to give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. Promises to give outstanding are considered restricted due to a time restriction until the monies are received. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were \$82,100 and \$80,500 promises to give outstanding as of September 30, 2019 and 2018, respectively. As of September 30, 2019, all pledges are due within one year. As of September 30, 2018, pledges of \$50,500 are due within one year and pledges of \$30,000 are due between one and five years.

Receivables:

Accounts and pledges receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projection of trends. At September 30, 2019 and 2018, the balance of the allowance was \$0. It is the Organization's policy to charge off uncollectible receivables when management determines that a receivable will not be collected.

Property, equipment and depreciation methods:

Purchased property and equipment are recorded at acquisition cost. Property and equipment donations are recorded at fair market value at the date of receipt. Improvements and betterments exceeding \$2,000 are capitalized, while repairs and maintenance expenditures are expensed in the statements of activities.

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Land	Indefinite
Land improvements	10 - 30 years
Buildings and improvements	5 - 30 years
Furniture and equipment	3 - 20 years
Vehicles	5 years

Debt issuance costs:

Amortization of debt issuance costs is computed over the terms of the respective mortgages on a straight-line basis. Unamortized debt issuance costs are presented as a reduction of outstanding debt and amortization expense related to those debt issuance costs is presented as interest expense.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

In-kind contributions:

Donated vehicles, equipment, facilities, and materials are recorded at the estimated market value when received. Contributed services are recorded as contributions, at their fair market value, when the service creates or enhances a non-financial asset or the service requires specialized skills that would typically need to be purchased if not provided by donation.

Functional allocation of expenses:

The costs of providing the Organization's program and supporting activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. The management team meets annually to determine the appropriate percentages for each class of expense; they determine what percentages should be modified each year based on changes in programs, staffing changes, and other factors. All expenses, except for in-kind contributions, were allocated based on the pre-approved percentages. In-kind contributions were allocated directly based on the nature of each transaction.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes:

One Heartland, Inc. is exempt from federal taxation pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code and Section 290.05 of the Minnesota Statutes and is only subject to federal and state income taxes on net unrelated business income. Since the Organization had no unrelated business taxable income in 2019, the accompanying financial statements do not include any provision for federal or state income taxes.

The Organization has not been audited by a tax authority, and accordingly the informational tax returns for the past three years are open to examination. Management has evaluated its tax positions and has concluded that they do not expect anything that would require either recording or disclosure in the financial statements based on the criteria set forth in ASC 740.

Reclassifications:

Certain reclassifications have been made to the 2018 financial statements to conform with the 2019 financial statement presentation.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

SEPTEMBER 30,	2019	2018
Land	\$ 255,417	\$ 255,417
Land improvements	136,114	136,114
Camp facility	1,501,271	1,501,271
Camp retreat center	771,798	771,798
Camp improvements	1,204,240	1,204,240
Furniture and equipment	472,876	452,020
Vehicles	74,761	74,761
Assets not yet placed into service	6,543	-
	<u>4,423,020</u>	<u>4,395,621</u>
Less accumulated depreciation	2,886,274	2,731,348
<i>Net property and equipment</i>	\$ 1,536,746	\$ 1,664,273

NOTE 3. LINE OF CREDIT

The Organization has a \$100,000 line of credit available with Northview Bank with interest payable monthly at the prime rate plus 1.0% (prime rate at September 30, 2019 was 5.00%). In May 2018, a second line of credit was signed with an additional available balance of \$150,000 with interest payable monthly at the same rate. Borrowings under these lines of credit are secured by substantially all assets of the Organization. The lines of credit expired May 24, 2019, resulting in the organization defaulting on the lines of credit. The balance outstanding on these lines was \$249,827 and \$246,407 as of September 30, 2019 and 2018, respectively.

Effective October 1, 2019, both lines of credit were refinanced and restructured. The lines of credit were combined into a single ten-year term loan with an approximate principal amount of \$250,000. The new loan has a fixed interest rate of 6.5%, amortized over 10 years with a monthly payment amount of approximately \$2,855 commencing on November 1, 2019, and a default interest rate of 11.5%.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG TERM DEBT

The Organization's long term debt consists of the following:

SEPTEMBER 30,	2019	2018
4.25% note payable to Northview Bank, secured by the camp facilities in Willow River, Minnesota, requires interest and principal payments of \$4,072 to be made monthly through October 2031. The note had a change in terms beginning January 2018 resulting in a reduction of principal and interest payment from \$5,235 to \$4,072.	\$ 462,875	\$ 496,710
Less unamortized debt issuance costs	15,507	16,800
<i>Long term debt, less unamortized debt issuance costs</i>	447,368	479,910
Less current maturities	29,845	33,256
<i>Total long term debt, less current portion</i>	\$ 417,523	\$ 446,654

The future scheduled maturities of long term debt are as follows:

YEARS ENDING SEPTEMBER 30,	
2020	\$ 29,845
2021	31,138
2022	32,487
2023	33,896
2024	35,365
Thereafter	300,144
<i>Total long term debt</i>	\$ 462,875

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

The nature of restrictions on net assets with donor restrictions are as follows:

SEPTEMBER 30,	2019	2018
Time restrictions	\$ 82,100	\$ 61,500
Camp Heartland	14,000	10,000
New Gator	-	4,000
<i>Total temporarily restricted net assets</i>	\$ 96,100	\$ 75,500

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. IN-KIND DONATIONS

The Organization received in-kind donations as follows:

	Year Ended September 30, 2019	Six Month Period Ended September 30, 2018
Camp related and other program expenses	\$ 36,003	\$ 37,069
General fundraising and event expenses	62,890	6,227
Angel Flights	264,825	254,990
Donated equipment	18,350	6,500
Advertising	50,000	-
Twins tickets	4,600	-
<i>Total in-kind donations</i>	\$ 436,668	\$ 304,786

NOTE 7. EMPLOYEE RETIREMENT PLAN

The Organization sponsors a SIMPLE IRA Retirement Plan for all eligible employees. Total employer contributions made for the year ended September 30, 2019 totaled \$8,139. Employer contributions made for the six month period ended September 30, 2018 totaled \$4,058.

NOTE 8. UNEMPLOYMENT RESERVES

The Organization self-insures for Minnesota unemployment via the Unemployment Services Trust. The Minnesota unemployment trust balance per contract would be fully refunded to the Organization upon payment of all outstanding unemployment claims. The recorded balance of the Minnesota unemployment trust is based on the balance of the trust net of an estimate of claims payable. The recorded balance at September 30, 2019 and 2018 was \$26,863 and \$22,001, respectively.

NOTE 9. LEASE COMMITMENTS

The Organization has leases for its office facilities and office equipment, which are treated as operating leases.

The Organization currently leases office space located at 2101 Hennepin Avenue, Minneapolis, Minnesota. The lease expired in January 2020 and became month-to-month through May 2020. Minimum monthly lease payments are \$2,600.

Total rent and lease payments paid, for the year ended September 30, 2019 and the six month period ended September 30, 2018 totaled \$38,184 and \$19,902, respectively.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. (CONTINUED)

The future minimum lease payments are as follows:

YEARS ENDING SEPTEMBER 30,

2020	13,340
2021	1,470
Total	\$ 14,810

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 10, 2020, the date which the financial statements were available to be issued.

NOTE 11. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

SEPTEMBER 30,	2019	2018
Financial assets *	\$ 82,242	\$ 93,287
Less checks written in excess of cash balance	(28,609)	-
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor for Camp Heartland	(14,000)	(10,000)
Restricted by donor for New Gator	-	(4,000)
Restricted by time greater than one year	-	(30,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 39,633</u>	<u>\$ 49,287</u>

* Total assets, less nonfinancial assets (prepaid expenses, unemployment reserves, and property and equipment)

As part of its liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. At September 30, the Organization concludes the condensed summer camp season and anticipates a lower volume of expenditures at the beginning of the fiscal year. Donors contribute to the Organization throughout the year and management does not anticipate liquidity issues during fiscal year 2020.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. UNCERTAINTY

Soon after year end, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Organization as of August 10, 2020, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

The Organization obtained a Paycheck Protection Program loan through the Small Business Administration to fund operations through the COVID-19 pandemic in the amount of \$104,300 on April 17, 2020.

NOTE 13. MANAGEMENT'S PLANS

As a result of the COVID-19 pandemic, the Organization has seen a large reduction in revenues and have had to halt operations. Management has made the decision to cancel any summer fundraising events, all 2020 summer camps, have laid off most employees and are working to cut any unnecessary expenses. Because the Organization is running with minimal expenditures, it is the hope of management that they are able to keep running through the pandemic and re-open summer camps in 2021. Management is also actively working with vendors in order to work through payment options. In 2020, they may replace the summer camps with extended weekend retreats in order to gain some revenue, but this will depend on government restrictions. In addition, the Organization has obtained a Paycheck Protection Program loan through the Small Business Administration to fund operations, as noted in the Uncertainty footnote.