



**COMMITTEE ON TEMPORARY SHELTER, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**JMM & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**COMMITTEE ON TEMPORARY SHELTER, INC.**

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VT License #92-0000171

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Committee on Temporary Shelter, Inc.  
Burlington, Vermont

### Report on the Financial Statements

We have audited the accompanying financial statements of Committee on Temporary Shelter, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, 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 representation 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 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 risk 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 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.

JMM & ASSOCIATES ■ CERTIFIED PUBLIC ACCOUNTANTS

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Committee on Temporary Shelter, Inc. as of September 30, 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.

*Jmm & Associates*

April 15, 2021

COMMITTEE ON TEMPORARY SHELTER, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u> <u>(as restated)</u>
<b>CURRENT ASSETS</b>		
Cash - unrestricted	\$ 715,853	\$ (77,193)
Cash - restricted	150,223	235,475
Grants, contracts and rents receivable	189,810	106,108
Current portion of gifts receivable	177,500	185,456
Prepaid expenses	4,755	47,427
	<u>1,238,141</u>	<u>497,273</u>
<b>TOTAL CURRENT ASSETS</b>		
	<u>1,238,141</u>	<u>497,273</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land, buildings and equipment	4,704,419	4,555,380
Less accumulated depreciation	<u>(2,772,209)</u>	<u>(2,636,159)</u>
	<u>1,932,210</u>	<u>1,919,221</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>		
	<u>1,932,210</u>	<u>1,919,221</u>
<b>OTHER ASSETS</b>		
Restricted cash - noncurrent	86,844	136,212
Gifts receivable, net of current portion	-	70,000
Notes receivable, net of \$285,000 allowance	931,000	931,000
Investments in marketable securities	3,741,476	2,409,287
Investment in COTS Housing Inc.	<u>2,343,126</u>	<u>2,343,126</u>
	<u>7,102,446</u>	<u>5,889,625</u>
<b>TOTAL OTHER ASSETS</b>		
	<u>7,102,446</u>	<u>5,889,625</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,272,797</u>	<u>\$ 8,306,119</u>

See accompanying notes.

## LIABILITIES AND NET ASSETS

	<b>2020</b>	<b>2019 (as restated)</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 26,515	\$ 23,834
Accrued payroll and related taxes	134,335	182,543
Accrued expenses	30,754	26,524
Deferred revenue	30,429	24,043
Paycheck Protection Program loan	470,000	-
	<b>692,033</b>	<b>256,944</b>
 <b>LONG-TERM LIABILITIES</b>		
Security deposits payable	9,746	4,302
	<b>9,746</b>	<b>4,302</b>
 <b>TOTAL LIABILITIES</b>	<b>701,779</b>	<b>261,246</b>
 <b>NET ASSETS</b>		
Net assets without donor restrictions:		
Designated:		
Smith House	34,469	36,318
Main Street and Firehouse	15,078	25,985
Waystation	68,933	74,676
Wilson	5,606	64,889
St. John's Hall	139,816	136,172
Undesignated	7,892,549	7,079,690
Total net assets without donor restrictions	8,156,451	7,417,730
Net assets with donor restrictions	1,414,567	627,143
	<b>9,571,018</b>	<b>8,044,873</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,272,797</b>	<b>\$ 8,306,119</b>

See accompanying notes.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u> (as restated)
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Public contributions	\$ 2,189,907	\$ 1,608,477
Program grants	1,077,112	845,407
United Way	39,963	51,745
Rent and program income	386,736	491,463
Miscellaneous income	18,666	2,244
Gain (loss) on disposal of assets	337	(8,872)
Investment income	232,120	156,373
Subtotal - Support and Revenue	<u>3,944,841</u>	<u>3,146,837</u>
Net assets released from restrictions	<u>284,161</u>	<u>474,085</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>4,229,002</u>	<u>3,620,922</u>
<b>EXPENSES</b>		
Program services:		
Prevention services	689,747	785,878
Family shelters	838,430	932,045
Individual shelters	632,423	652,256
Transitional housing	81,197	60,341
Permanent housing	315,252	317,021
Motel outreach	118,772	-
Veterans housing	95,382	253,732
Total Program services	<u>2,771,203</u>	<u>3,001,273</u>
Support services:		
General and administrative	305,092	283,275
Fundraising	396,740	407,210
Capital campaign	17,246	33,871
Total Support services	<u>719,078</u>	<u>724,356</u>
<b>TOTAL EXPENSES</b>	<u>3,490,281</u>	<u>3,725,629</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	738,721	(104,707)
<b>BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS - AS PREVIOUSLY REPORTED</b>		7,497,437
<b>PRIOR PERIOD RESTATEMENT - RECORD NOTE RECEIVABLE</b>		<u>25,000</u>
<b>BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS - AS RESTATED</b>	<u>7,417,730</u>	<u>7,522,437</u>
<b>ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 8,156,451</u>	<u>\$ 7,417,730</u>

See accompanying notes.



COMMITTEE ON TEMPORARY SHELTER, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u> <u>(as restated)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Contributions - programs	\$ 70,000	\$ 508,656
Capital gifts	1,001,585	175
	<u>1,071,585</u>	<u>508,831</u>
Net assets released from restrictions	<u>(284,161)</u>	<u>(474,085)</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>787,424</u>	<u>34,746</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>787,424</u>	<u>34,746</u>
<b>BEGINNING NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>627,143</u>	<u>592,397</u>
<b>ENDING NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>\$ 1,414,567</u>	<u>\$ 627,143</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	<u>\$ 1,526,145</u>	<u>\$ (69,961)</u>

See accompanying notes.

COMMITTEE ON TEMPORARY SHELTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2020

FOR THE YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	Prevention Services	Family Shelters	Individual Shelters	Transitional Housing	Permanent Housing	Motel Outreach	Veterans Housing
Salaries and wages	\$ 396,700	\$ 556,442	\$ 409,911	\$ 19,564	\$ 43,701	\$ 85,684	\$ 30,675
Payroll taxes	29,716	41,607	30,762	1,462	3,187	6,550	2,317
Fringe benefits	52,430	61,841	41,696	1,464	3,288	42	2,137
Total Personnel	<u>478,846</u>	<u>659,890</u>	<u>482,369</u>	<u>22,490</u>	<u>50,176</u>	<u>92,276</u>	<u>35,129</u>
Occupancy	46,179	89,521	75,592	34,973	182,012	1,182	49,349
Depreciation	7,428	45,521	21,825	17,803	56,325	-	741
Prevention	102,621	-	-	-	-	-	-
Information technology	27,274	12,132	13,719	1,521	318	7,012	3,160
Other expense	4,409	20	11,277	-	9,183	-	936
Insurance	5,266	11,581	9,219	2,873	11,197	-	1,933
Accounting and audit	6,134	7,719	4,499	510	1,383	-	551
Advertising and promotion	2,470	1,084	753	17	38	363	22
Client supplies and activities	5,077	6,537	6,097	864	585	17,726	1,128
Contract labor	-	-	4,150	-	-	-	-
Office expenses	1,940	2,493	1,963	59	121	213	72
Legal and professional	540	390	-	-	3,719	-	2,250
Training and development	1,028	1,389	876	79	171	-	101
Travel	535	153	84	8	24	-	10
Interest	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>\$ 689,747</u>	<u>\$ 838,430</u>	<u>\$ 632,423</u>	<u>\$ 81,197</u>	<u>\$ 315,252</u>	<u>\$ 118,772</u>	<u>\$ 95,382</u>

See accompanying notes.

	Total Program Services	General & Administrative	Fundraising	Capital Campaign	Total Support Services	2020 Total	2019 Total
Salaries and wages	\$ 1,542,677	\$ 225,139	\$ 212,006	\$ -	\$ 437,145	\$ 1,979,822	\$ 1,958,108
Payroll taxes	115,601	16,747	15,708	-	32,455	148,056	144,644
Fringe benefits	162,898	30,984	26,673	-	57,657	220,555	244,943
Total Personnel	<u>1,821,176</u>	<u>272,870</u>	<u>254,387</u>	<u>-</u>	<u>527,257</u>	<u>2,348,433</u>	<u>2,347,695</u>
Occupancy	478,808	11,406	11,482	-	22,888	501,696	618,974
Depreciation	149,643	2,976	3,162	-	6,138	155,781	143,083
Prevention	102,621	-	-	-	-	102,621	199,953
Information technology	65,136	9,300	13,468	-	22,768	87,904	92,931
Other expense	25,825	512	7,178	17,246	24,936	50,761	54,446
Insurance	42,069	1,891	2,326	-	4,217	46,286	45,106
Accounting and audit	20,796	4,211	18,293	-	22,504	43,300	33,902
Advertising and promotion	4,747	53	37,041	-	37,094	41,841	51,736
Client supplies and activities	38,014	276	-	-	276	38,290	31,689
Contract labor	4,150	-	29,625	-	29,625	33,775	37,490
Office expenses	6,861	1,512	19,701	-	21,213	28,074	26,935
Legal and professional	6,899	85	-	-	85	6,984	28,530
Training and development	3,644	-	35	-	35	3,679	8,912
Travel	814	-	42	-	42	856	4,242
Interest	-	-	-	-	-	-	5
<b>TOTAL EXPENSES</b>	<u>\$ 2,771,203</u>	<u>\$ 305,092</u>	<u>\$ 396,740</u>	<u>\$ 17,246</u>	<u>\$ 719,078</u>	<u>\$ 3,490,281</u>	<u>\$ 3,725,629</u>

See accompanying notes.

**COMMITTEE ON TEMPORARY SHELTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES - 2019**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<b>Prevention Services</b>	<b>Family Shelters</b>	<b>Individual Shelters</b>	<b>Transitional Housing</b>	<b>Permanent Housing</b>	<b>Veterans Housing</b>
Salaries and wages	\$ 416,693	\$ 601,529	\$ 421,789	\$ 9,017	\$ 31,289	\$ 63,187
Payroll taxes	31,002	44,383	31,627	673	2,343	4,759
Fringe benefits	44,720	89,928	46,856	508	1,313	2,529
Total Personnel	<u>492,415</u>	<u>735,840</u>	<u>500,272</u>	<u>10,198</u>	<u>34,945</u>	<u>70,475</u>
Occupancy	39,586	105,484	71,546	26,829	189,046	162,033
Prevention	180,438	-	-	-	19,515	-
Depreciation	10,559	28,822	20,136	18,237	52,449	2,632
Information technology	29,704	9,953	12,093	1,192	458	3,727
Other expenses	4,628	434	11,826	54	(8,094)	8,251
Advertising and promotion	2,712	1,788	1,322	2	22	17
Insurance	4,211	11,853	9,545	2,754	11,073	2,189
Contract labor	-	-	6,990	-	-	-
Accounting and audit	4,464	8,513	5,228	146	752	744
Client supplies and activities	9,343	9,547	9,558	817	740	1,684
Legal and professional	-	11,708	-	-	15,717	1,105
Office expenses	3,903	3,088	1,722	51	224	238
Training and development	1,842	4,305	1,855	24	70	267
Travel	2,073	710	163	33	103	370
Interest	-	-	-	4	1	-
<b>TOTAL EXPENSES</b>	<u>\$ 785,878</u>	<u>\$ 932,045</u>	<u>\$ 652,256</u>	<u>\$ 60,341</u>	<u>\$ 317,021</u>	<u>\$ 253,732</u>

See accompanying notes.

	Total Program Services	General & Administrative	Fundraising	Capital Campaign	Total Support Services	2019 Total
Salaries and wages	\$ 1,543,504	\$ 211,082	\$ 203,522	\$ -	\$ 414,604	\$ 1,958,108
Payroll taxes	114,787	15,683	14,174	-	29,857	144,644
Fringe benefits	185,854	26,567	32,522	-	59,089	244,943
Total Personnel	1,844,145	253,332	250,218	-	503,550	2,347,695
Occupancy	594,524	12,242	12,208	-	24,450	618,974
Prevention	199,953	-	-	-	-	199,953
Depreciation	132,835	4,260	5,988	-	10,248	143,083
Information technology	57,127	9,416	26,388	-	35,804	92,931
Other expenses	17,099	203	3,273	33,871	37,347	54,446
Advertising and promotion	5,863	123	45,750	-	45,873	51,736
Insurance	41,625	1,542	1,939	-	3,481	45,106
Contract labor	6,990	-	30,500	-	30,500	37,490
Accounting and audit	19,847	1,005	13,050	-	14,055	33,902
Client supplies and activities	31,689	-	-	-	-	31,689
Legal and professional	28,530	-	-	-	-	28,530
Office expenses	9,226	1,007	16,702	-	17,709	26,935
Training and development	8,363	142	407	-	549	8,912
Travel	3,452	3	787	-	790	4,242
Interest	5	-	-	-	-	5
<b>TOTAL EXPENSES</b>	<b>\$ 3,001,273</b>	<b>\$ 283,275</b>	<b>\$ 407,210</b>	<b>\$ 33,871</b>	<b>\$ 724,356</b>	<b>\$ 3,725,629</b>

See accompanying notes.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contracts	\$ 1,000,061	\$ 833,353
Cash received from contributions	2,371,026	2,090,222
Rent and program income	410,581	499,899
Interest received	40,521	48,881
Cash paid to suppliers for goods and services	(989,644)	(1,273,724)
Cash paid for salaries, taxes and benefits	(2,396,641)	(2,329,830)
Interest paid	-	(5)
	<u>435,904</u>	<u>(131,204)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(169,614)	(172,859)
Proceeds from sales of investments	2,849,710	1,386,594
Purchases of investments	(3,935,959)	(1,160,314)
	<u>(1,255,863)</u>	<u>53,421</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from Paycheck Protection Program loan	470,000	-
Cash received from capital gifts	1,008,385	5,970
	<u>1,478,385</u>	<u>5,970</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		
<b>INCREASE (DECREASE) IN CASH AND RESTRICTED CASH</b>	658,426	(71,813)
<b>BEGINNING CASH AND RESTRICTED CASH</b>	<u>294,494</u>	<u>366,307</u>
<b>ENDING CASH AND RESTRICTED CASH</b>	<u>\$ 952,920</u>	<u>\$ 294,494</u>
<b>REPORTED ON THE STATEMENTS OF FINANCIAL POSITION AS:</b>		
Cash - unrestricted	\$ 715,853	\$ (77,193)
Cash - restricted	150,223	235,475
Restricted cash - noncurrent	86,844	136,212
	<u>\$ 952,920</u>	<u>\$ 294,494</u>

See accompanying notes.

## COMMITTEE ON TEMPORARY SHELTER, INC.

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

#### 1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

##### Nature of operations

Committee on Temporary Shelter, Inc. (COTS or Organization) is a nonprofit organization, incorporated in the State of Vermont on December 15, 1983. COTS is the largest service provider for the homeless and those at risk of becoming homeless in Vermont. Funding for the Organization is provided by various federal, state and private grants. Additionally, contributions from individuals, foundations, businesses, religious organizations, and others provide funds to supplement grants for specific programs.

COTS provides emergency shelter, prevention services and housing for people who are without homes or who are marginally housed. COTS advocates for long-term solutions to end homelessness. We believe in the value and dignity of every human life; we believe that emergency shelter is not the answer to homelessness; and we believe that housing is a fundamental human right.

##### Programs and activities

COTS' program services include:

*Prevention Services* - The Housing Resource Center was opened in 2008 and provides housing retention, placement and comprehensive outreach services to homeless and low-income persons.

*Family Shelters* - The Firehouse Family Shelter (opened in 1988) and Main Street Family Shelter (opened in 2002) are the only two family shelters in Chittenden County. They provide temporary shelter for 15 families with children.

*Individual Shelters* - The Waystation (opened in 1982) is a 36-bed emergency shelter for men and women, ages 18 and older, that provides safe and decent shelter 365 nights a year. The Daystation (opened in 1988) is a daytime drop-in center offering refuge from the streets every day from 9am - 5pm.

*Transitional Housing* - The Smith House opened in 2002 to provide chronically homeless and hardest-to-house individuals moving out of shelter with transitional housing for four to six months. The Smith House has seven single-room occupancy units and full-time support personnel.

*Permanent Housing* - The Wilson Hotel (purchased in 1984) and St. John's Hall (purchased in 1991) provide 40 single-room occupancy (SRO) units and four apartments - permanent housing for formerly homeless as well as low-income senior citizens and veterans. In the renovated 95 North Avenue building and as part of a limited partnership ownership interest, COTS owns 14 units of permanently affordable housing.

*Motel Outreach* - During the pandemic, the State of Vermont placed a significant number of homeless people in motels across the state. COTS formed a team of outreach workers to address the ongoing, daily needs of this population. Services are similar to those provided by COTS Housing Navigators, and occur onsite at motels, primarily in Chittenden County. This program is funded by the State of Vermont with CARES Act and similar funding.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Programs and activities (continued)

*Veterans Housing* - In February 2011, COTS opened a new facility in Winooski to provide 16 units of transitional housing for homeless veterans, or those at risk of homelessness. In addition to Veterans Housing, the building provided 12 units of affordable, permanent housing for tenants meeting income requirements. Because of significant declines in the numbers of homeless veterans, COTS ended the veterans housing program during fiscal year 2020.

*Housing Navigation Services* - COTS' Housing Navigators provide one-on-one services to families and individuals with an intense focus on housing placement and connection to resources to enhance household income. The Housing Navigators also connect clients to a broad range of federal, state and community resources including government assistance, employment support services, financial literacy, and asset building programs.

More detailed information on all of the Organization's programs may be found by visiting [www.cotsonline.org](http://www.cotsonline.org).

Changes in accounting principles

Effective October 1, 2019, COTS adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue and, therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Effective October 1, 2019, COTS also adopted ASU 2016-18, *Statement of Cash Flows* (Topic 230), as amended. This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents and amounts generally described as restricted cash. The Organization has applied the provisions of ASU 2016-18 retrospectively to all periods presented with no effect on net assets.

Effective October 1, 2019, COTS adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. There was no material impact to the financial statements as a result of adoption, and no effect on net assets or previously issued financial statements.

Effective October 1, 2019, COTS also adopted ASU 2016-01, *Financial Instruments-Overall* (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities* and ASU 2018-13, *Fair Value Measurement* (Topic 820) *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. These ASUs modify or remove certain disclosure requirements that were previously required. There was no material impact to the financial statements as a result of adoption, and no effect on net assets or previously-issued financial statements.



**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Pending accounting standard

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* (Topic 842), which will replace the current guidance for leases found in FASB ASC 840. ASU No. 2016-02 will affect most not-for-profits for annual reporting periods beginning on or after December 15, 2020 (COT's fiscal year ending September 30, 2022). ASU No. 2016-02 applies to both lessees and lessors and will require lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more. Management has not yet determined the impact of this ASU on the Organization's financial statements.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded as incurred.

Financial statement presentation

Committee on Temporary Shelter, Inc. reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, Committee on Temporary Shelter, Inc. considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank per depositor. Amounts in excess of the FDIC limit were \$663,715 and \$65,505 as of September 30, 2020 and 2019, respectively.

Investments

Committee on Temporary Shelter, Inc. is required to report marketable equity securities and all debt instruments in the Statements of Financial Position at fair value. Any realized or unrealized gain and loss, interest or dividends are reported as investment income in the Statements of Activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Donated investments are treated as fair value at the date of receipt, which is then treated as cost.

Property and equipment

Property and equipment are carried at cost, if purchased, or fair market value if donated. Betterments that materially add to the value of related assets or materially extend the useful life of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the appropriate program. COTS' policy is to capitalize acquisitions over \$1,000. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Advertising

Advertising costs are charged to expense when incurred.

Contributions

Committee on Temporary Shelter, Inc. reports its contributions as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the Statements of Activities as net assets released from restrictions.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, COTS reports expirations of donor restrictions when the donated assets or acquired assets are placed in service as instructed by the donor. COTS reclasses net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services, assets and facilities

Donated services that meet certain criteria are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Numerous volunteers perform various clerical functions to support program activities, and no amounts have been recorded for these services.

Estimates

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

Reclassification

Certain amounts in the prior year financial statements for 2019 have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

## COMMITTEE ON TEMPORARY SHELTER, INC.

### NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

#### 1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Grant and contract support

Committee on Temporary Shelter, Inc. recognizes grant and contract funds on an exchange basis. As such, revenues are booked as the grant is earned. In accordance with the normal policies of the contracting organizations, COTS may retain unexpended funds for use in future periods provided expenses incurred are in compliance with the specified terms of each grant or contract, as defined. The organizations may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by COTS with the terms of the grants or contracts. In addition, if COTS terminates providing services, all unexpended funds are to be returned to the funding sources.

##### Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas. Indirect salaries have been allocated to the various program based on time estimates included in the annual budget. Other indirect costs are allocated based on methods determined by management, such as, percentage of salaries and wages or square footage.

##### Income taxes

Committee on Temporary Shelter, Inc. is a nonprofit corporation exempt from income taxes under IRC Section 501(c)(3) except for net income derived from unrelated business income activities, if any. COTS has been classified as an organization that is not a private foundation under IRC 509(a)(2), and donations to the Organization qualify as charitable deductions for individual donors. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

#### 2) LIQUIDITY

Committee on Temporary Shelter, Inc. regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also managing its funds to provide investment returns. COTS has various sources of liquidity at its disposal, primarily cash, receivables and investments.

The majority of contributions received by the Organization are intended to be used for regular operations; some donations are restricted to specific purposes within regular operations. A smaller amount of financial assets are restricted to the needs of specific buildings.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**2) LIQUIDITY (continued)**

As of September 30, the following table shows the financial assets held by COTS and the amounts of those financial assets which could readily be made available within one year of the Statements of Financial Position dates to meet general expenditures:

	<u>2020</u>	<u>2019</u> <u>(as restated)</u>
Financial assets:		
Cash - unrestricted	\$ 715,853	\$ (77,193)
Cash - restricted	237,067	371,687
Grants, contracts and rents receivable	189,810	106,108
Gifts receivable	177,500	255,456
Notes receivable	931,000	931,000
Investments in marketable securities	3,741,476	2,409,287
Total financial assets	<u>5,992,706</u>	<u>3,996,345</u>
Less amounts not available to meet general expenditures:		
Net assets restricted by donors	(1,414,567)	(627,143)
Notes receivable	(931,000)	(931,000)
Board-designated investments	<u>(263,902)</u>	<u>(338,040)</u>
	<u>(2,609,469)</u>	<u>(1,896,183)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 3,383,237</u>	<u>\$ 2,100,162</u>

**3) RESTRICTED CASH**

Restricted cash is maintained in accordance with donor requests. Restricted cash consists of restricted gifts received for the following at September 30:

	<u>2020</u>	<u>2019</u>
Programs	\$ 150,223	\$ 235,475
Capital campaign	86,844	136,212
	<u>\$ 237,067</u>	<u>\$ 371,687</u>

Restricted cash is presented in the Statements of Financial Position as of September 30:

Current	\$ 150,223	\$ 235,475
Noncurrent	86,844	136,212
	<u>\$ 237,067</u>	<u>\$ 371,687</u>

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**4) GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable represent grants due from the grantor in less than one year. Due to the current nature of the amounts, no allowance for uncollectible accounts has been recorded. There was no bad debt expense related to grants receivable for the years ended September 30, 2020 or 2019.

**5) GIFTS RECEIVABLE**

Gifts receivable consisted of the following at September 30:

	<u>2020</u>	<u>2019</u> <u>(as restated)</u>
Receivable in less than one year	\$ 177,500	\$ 185,456
Receivable in one to three years	-	70,000
	<u>177,500</u>	<u>255,456</u>
Less allowance for doubtful accounts	-	-
	<u>\$ 177,500</u>	<u>\$ 255,456</u>

Gifts receivable are recorded in the Statements of Financial Position as of September 30:

	<u>2020</u>	<u>2019</u> <u>(as restated)</u>
Current	\$ 177,500	\$ 185,456
Noncurrent	-	70,000
	<u>\$ 177,500</u>	<u>\$ 255,456</u>

Management has deemed the discount to net present value to be immaterial.

**6) PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment as of September 30:

	<u>2020</u>	<u>2019</u>
Buildings and improvements	\$ 3,817,822	\$ 3,670,647
Equipment	746,847	744,983
Land and easement	139,750	139,750
	<u>4,704,419</u>	<u>4,555,380</u>
Accumulated depreciation	<u>(2,772,209)</u>	<u>(2,636,159)</u>
	<u>\$ 1,932,210</u>	<u>\$ 1,919,221</u>

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**7) NOTES RECEIVABLE**

In December 2015, COTS received a promissory note receivable from 95 North Avenue Limited Partnership for \$216,000. The note bears no interest, is due December 11, 2035 and is secured by a mortgage deed of the Borrower's affordable housing development at 95 North Avenue in Burlington, Vermont.

On the same date, COTS received an additional promissory note receivable from 95 North Avenue Limited Partnership for \$165,000. The note bears no interest, is due December 11, 2035 and is secured by a mortgage deed of the Borrower's affordable housing development at 95 North Avenue in Burlington, Vermont.

On the same date, COTS received a third promissory note receivable from 95 North Avenue Limited Partnership for \$100,000. The note bears no interest, is due December 11, 2035 and is secured by a mortgage deed of the Borrower's affordable housing development at 95 North Avenue in Burlington, Vermont.

On that same date, COTS received an additional promissory note receivable from 95 North Avenue Limited Partnership for \$310,000 for development fees. Due to the nature of the receivable, a \$285,000 allowance has been recorded.

In 2016, COTS received a \$400,000 grant from the Federal Home Loan Bank which was deposited directly into the 95 North Avenue Limited Partnership and recorded as a note payable to COTS. The note bears no interest, is due April 1, 2032 and is secured by a mortgage deed of the Borrower's affordable housing development at 95 North Avenue in Burlington, Vermont.

In FY2017, COTS received a \$25,000 grant from the City of Burlington and loaned the funds to 95 North Avenue Limited Partnership. The note bears no interest, is due December 11, 2035 and is secured by a mortgage deed of the Borrower's affordable housing development at 95 North Avenue in Burlington, Vermont.

**8) INVESTMENTS IN MARKETABLE SECURITIES**

The following table presents the composition of investments at fair value as of September 30:

	<u>2020</u>	<u>2019</u>
Investments measured using net asset value:		
Equity mutual funds (a)	\$ 77,022	\$ 56,475
International mutual funds (b)	161,501	244,036
Subtotal - investments measured using net asset value	238,523	300,511
Cash	1,075,278	100,727
Fixed income	1,065,953	964,524
Common stocks	1,361,722	1,043,525
	<u>\$ 3,741,476</u>	<u>\$ 2,409,287</u>

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**8) INVESTMENTS IN MARKETABLE SECURITIES (continued)**

Investments include funds for which there are no unfunded commitments, which redemption value is computed daily, and for which there is no notification period required to redeem. Funds seek total return, current income, and preservation of capital through investment in various corporate bonds and equity securities.

Accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1 - inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - inputs include quoted prices for similar assets or liabilities in active markets; identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 - inputs are unobservable and significant to the fair value measurement.

Investments in debt securities and equity securities with readily determinable fair values and all investments in debt securities at fair market value on a recurring basis. Fair market value for investments are determined by "Level 1" inputs by reference to unadjusted quoted prices in active markets.

Committee on Temporary Shelter, Inc. uses net asset value (NAV) per share, for assets measured at fair value on a recurring basis. Mutual funds that are measured at fair value using NAV per share are classified as Level 1 in the fair value hierarchy.

Mutual funds are valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

(a) These investments seek capital appreciation through investment in equity mutual funds.

(b) These investments seek long-term capital appreciation through investment in international mutual funds.

Additional analysis of the fair values and cost of investments by category were as follows as of:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>September 30, 2020:</b>			
Cash and money funds	\$ 1,075,278	\$ 1,075,278	\$ -
Equity securities and mutual funds	1,600,245	1,018,540	581,705
Fixed income securities	1,065,953	1,037,184	28,769
	<u>\$ 3,741,476</u>	<u>\$ 3,131,002</u>	<u>\$ 610,474</u>

COMMITTEE ON TEMPORARY SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

8) INVESTMENTS IN MARKETABLE SECURITIES (continued)

September 30, 2019:

Cash and money funds	\$ 100,727	\$ 100,727	\$ -
Equity securities and mutual funds	1,344,036	997,050	346,986
Fixed income securities and mutual funds	964,524	960,158	4,366
	<u>\$ 2,409,287</u>	<u>\$ 2,057,935</u>	<u>\$ 351,352</u>

Investment return consisted of the following for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 55,052	\$ 64,573
Realized gains (losses)	(67,523)	46,836
Unrealized gains	259,122	60,656
Investment fees	(14,531)	(15,692)
	<u>\$ 232,120</u>	<u>\$ 156,373</u>

9) INVESTMENT IN COTS HOUSING, INC.

In August 2015, COTS created a wholly-owned subsidiary entity, COTS Housing, Inc., which is a general partner with a 0.0045% equity interest in 95 North Avenue Limited Partnership. This investment is classified as Level 3 in the fair value hierarchy. The total equity investments at September 30, 2020 and 2019 were \$2,343,126.

10) PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, COTS signed a two-year loan agreement with KeyBank, N.A. under the Paycheck Protection Program for a \$470,000 loan. The note is payable in 24 monthly installments of \$19,788 and bears interest at 1%, commencing in September 2021. The loan is guaranteed by the U.S. Small Business Administration (SBA) and is due August 2023.

Entities that incurred eligible expenses within the appropriate period may qualify to have all or a portion of their loan forgiven by the SBA. COTS believes they meet this criteria, and as such, have chosen to present the entire balance as current debt.



**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**11) LEASES**

In January 2011, COTS entered into a 30-year lease agreement with Canal St. Housing Limited Partnership for a housing program at the Canal Street veterans housing project in Winooski, Vermont. COTS Veterans Housing Inc., a subsidiary of COTS, owns 0.5% of the Partnership. The lease requires monthly payments of \$13,671, which can be adjusted annually based on actual square footage and unit expenses as calculated by the Partnership. During FY2020, the General Partners agreed that given the significant decline in the number of homeless veterans, lease payments would be reduced proportionately to veteran program units' conversion to regular affordable apartments. By September 30, 2020, all units were converted and lease payments are now zero. The General Partners are in the process of finalizing legal documentation of the lease termination.

Effective April 1, 2017, COTS signed an operating lease with 95 North Avenue Limited Partnership, a related party. The lease, which expires on March 31, 2033, contains two components. First, COTS will pay monthly rent of \$352 to be increased by 3% annually to fund a maintenance reserve for the 95 North Avenue property. Second, COTS will pay monthly rent of \$5,958 for the first year, thereafter to be computed as the share of the common area costs attributable to the portion occupied by COTS.

Total facility rent expenses were \$108,687 and \$231,930 for the years ended September 30, 2020 and 2019, respectively.

Future minimum lease commitments for the years ending September 30 are as follows:

2021	\$	74,000
2022		74,000
2023		73,000
2024		73,000
2025		73,000
Thereafter		<u>542,000</u>
	\$	<u>909,000</u>

**12) RETIREMENT PLAN**

COTS sponsors a discretionary contribution 403(b) plan which matched 100% of eligible employees' contributions up to 1% of salary for participants with one to three years of service, and up to 2% of salary for participants with three or more years of service. The employer contribution vests after two years of service to COTS. Total retirement expenses were \$40,181 and \$42,282 for the years ended September 30, 2020 and 2019, respectively.

**13) COMMITMENTS AND CONTINGENCIES**

COTS' Main Street Family Shelter is subject to a housing subsidy covenant under which the property must be maintained as affordable residential housing, and the property may not be sold without written permission from the Vermont Housing and Conservation Board.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**13) COMMITMENTS AND CONTINGENCIES (continued)**

COTS has agreed to provide rental assistance and services to the tenants of 95 North Avenue.

In January of 2020, COTS was notified that the Veterans Administration (VA) intends to pursue partial recapture of the original \$1,240,000 VA grant 08-746-VT made in 2010 to COTS, which COTS passed through to the Canal Street Housing LP for the construction of the Canal Street building. This notification commenced a process which continues via which COTS' ultimate obligation to the VA will be determined. In June 2020, the VA provided an estimate of this liability of \$179,800, however, this is not a final determination and no liability has been recorded. COTS believes there is a reasonable chance that its obligation will be less than the VA's estimate.

**14) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted to time or purpose as of September 30:

	<u>2020</u>	<u>2019</u> <u>(as restated)</u>
Main Street project	\$ 1,001,295	\$ -
Future periods	138,429	165,429
Housing Resource Center	99,150	214,276
Capital campaign	85,549	143,012
Risk pool	71,735	78,505
Children's enrichment	18,409	5,596
Bequest receivable	-	13,656
Home Again	-	6,669
	<u>\$ 1,414,567</u>	<u>\$ 627,143</u>

**15) CANAL STREET VETERANS HOUSING**

In 2009, COTS formed a subsidiary, COTS Veterans Housing, Inc., a public benefit nonprofit corporation. COTS Veterans Housing, Inc. was organized to develop and maintain safe and sanitary transitional housing for veterans and affordable permanent housing.

In collaboration with Housing Vermont, Inc., COTS developed a housing project in Winooski known as Canal Street Housing. This facility consists of 28 rental apartment units and was opened for occupancy in January 2011. Sixteen units were separately master leased by COTS for its Veteran Program - see below.

After completion, the project was transferred to a limited partnership, Canal Street Housing Limited Partnership. COTS Veterans Housing, Inc. owns 0.5% of the limited partnership. The activity of COTS Veterans Housing, Inc. is immaterial to the financial statements and, therefore, is not consolidated.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**15) CANAL STREET VETERANS HOUSING (continued)**

During fiscal years 2019 and 2020, the number of homeless veterans in the community significantly declined. In response, the General Partners agreed to convert units reserved for the veterans program to regular affordable units. The veterans program ended in fiscal year 2020.

**16) CAPITAL CAMPAIGN**

In July 2015, COTS commenced the "95 North - Bringing It All Home" capital campaign. The campaign funds allowed COTS to invest in the cost of renovating its property at 95 North Avenue, which was funded from tax credit financing and publicly-funded grants. The renovated building includes a permanent location for the Daystation and created 14 new affordable apartments for people who are homeless, and renovated and upgraded program spaces for family and prevention services. The renovated building allows consolidation of many COTS programs and administrative functions in one building, and the realization of associated efficiencies. The capital campaign, which was completed in FY2016, exceeded its goal.

A component of the capital campaign included the transfer of the property at 95 North Avenue and Haswell Street to a new partnership, 95 North Avenue Limited Partnership, in which COTS' wholly-owned subsidiary, COTS Housing, Inc., is one of the general partners and owns 0.0045% of the new partnership. The transfer of the property was completed in FY2016. In exchange for the transfer of the property, COTS received an investment in the limited partnership. The net book value of the property transferred was approximately \$1.2 million. COTS received a total equity interest in the Partnership of \$1,469,945 based on the property transferred and cash infusions. In 2017, COTS contributed an additional \$873,181 to the Partnership, resulting in a total equity investment of \$2,343,126 at September 30, 2020 and 2019.

**17) REVENUE RECOGNITION**

COTS did not have any contract assets or liabilities as of the beginning or ending of fiscal years 2020 or 2019.

**18) PRIOR PERIOD ADJUSTMENTS**

In FY2019, COTS received a multi-year pledge for which only the first installment was recorded. The net effect of this restatement was to increase gifts receivable and net assets with donor restrictions by \$65,000 for the year ended September 30, 2019. The restatement had no effect on the change in net assets for the year ended September 30, 2020.

In fiscal year 2020, COTS was made aware that it did not record a \$310,000 development fee receivable from 95 North Avenue LP per a promissory note dated December 11, 2015. The net effect of this restatement was to increase notes receivable by \$310,000, increase allowance for doubtful accounts by \$285,000 and net assets without donor restrictions by \$25,000 as of September 30, 2018. The restatement had no effect on the change in net assets for fiscal year 2020 or 2019.

**COMMITTEE ON TEMPORARY SHELTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**19) GLOBAL PANDEMIC**

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus to be a global pandemic. COTS management and staff put multiple safety protocols (following CDC guidelines) in place as the State of Vermont announced the lockdown in March of 2020. COTS reduced censuses in shelter programs to afford better safety for guests and staff. Certain program staff and all non-program staff worked remotely through the early spring surge in Vermont. COTS implemented a return to work program in the summer of 2020 and as vaccines have been made available more staff are returning onsite.

Because of the increase in needs of homeless people living in state-funded motels during the pandemic, COTS implemented a new Housing Navigation team, called the Motel Outreach Team, to focus on this population. COTS received state funding for 100% of the costs of this program. This team's work will continue in line with the availability of state funding.

In April 2020, COTS received a \$470,000 Paycheck Protection Program loan from the SBA and is pursuing forgiveness via its lender, KeyBank, and the SBA.

In February 2021, COTS received a second Paycheck Protection Program loan from the SBA in the amount of \$479,550 and will pursue forgiveness via its lender, KeyBank, and the SBA.

As of the date of these financial statements, it is not possible to determine the full impact of the pandemic on COTS' ongoing operations.

**20) SUBSEQUENT EVENTS**

As disclosed in Note 19, in February 2021, COTS received an additional Paycheck Protection Program loan from the SBA in the amount of \$479,550.

Committee on Temporary Shelter, Inc. has evaluated events and transactions for potential recognition or disclosure through April 15, 2021, the date the financial statements were available to be issued.