

NEW DETROIT, INC.  
FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

NEW DETROIT, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

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**GREGORY  
TERRELL  
& COMPANY**

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
New Detroit, Inc.

We have audited the accompanying financial statements of New Detroit, Inc. (a Michigan not-for-profit Corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

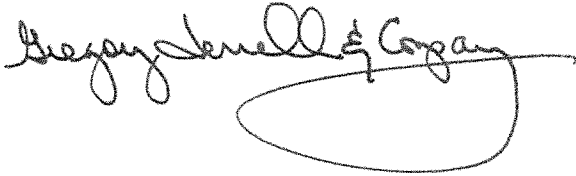
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Detroit, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited New Detroit, Inc.'s December 31, 2018 financial statements, and our report dated August 16, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gregory Terrell & Company". The signature is written in black ink and is positioned above a large, empty oval shape.

**GREGORY TERRELL & COMPANY**

Certified Public Accountants

Detroit, Michigan

August 5, 2020

NEW DETROIT, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	<b>ASSETS</b>	
	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and Cash Equivalents	\$ 700,615	\$ 910,381
Grants and Accounts Receivable	205,865	48,210
Prepaid Expenses	<u>9,957</u>	<u>14,675</u>
Total Current Assets	\$ 916,437	\$ 973,266
Property and Equipment (Net)	3,539	7,744
Investment-Endowment Fund	<u>62,250</u>	<u>55,053</u>
Total Assets	<u>\$ 982,226</u>	<u>\$ 1,036,063</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 23,906	\$ 80,262
Fiduciary Deposits Payable	<u>30,133</u>	<u>180,133</u>
Total Current Liabilities	\$ 54,039	\$ 260,395
Total Liabilities	<u>\$ 54,039</u>	<u>\$ 260,395</u>
Net Assets		
Without Donor Restrictions	\$ 735,295	\$ 398,320
With Donor Restrictions	<u>192,892</u>	<u>377,348</u>
Total Net Assets	\$ 928,187	\$ 775,668
Total Liabilities and Net Assets	<u>\$ 982,226</u>	<u>\$ 1,036,063</u>

NEW DETROIT, INC.  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>Without Donor</u>	<u>With Donor</u>	<u>2019 Total</u>	<u>2018 Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>		
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions and Grants	\$ 552,515	\$ 150,002	\$ 702,517	\$ 846,454
Annual Dinner (Net of expenses of \$123,598 in 2019 and \$64,107 in 2018)	387,432	-	387,432	191,667
Investment Income	154	-	154	310
Other Income	12,332	-	12,332	5,379
Net Assets Released from Restrictions	<u>334,458</u>	<u>(334,458)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>\$ 1,286,891</u>	<u>\$ (184,456)</u>	<u>\$ 1,102,435</u>	<u>\$ 1,043,810</u>
<b>EXPENSES</b>				
Program Services:				
Improving Educational Opportunity	\$ 21,733	\$ -	\$ 21,733	\$ 109,643
Racial Understanding	<u>619,945</u>	<u>-</u>	<u>619,945</u>	<u>821,668</u>
Total Program Services	<u>\$ 641,678</u>	<u>\$ -</u>	<u>\$ 641,678</u>	<u>\$ 931,311</u>
Supporting Services:				
Management and General	\$ 181,993	\$ -	\$ 181,993	\$ 248,818
Fundraising	97,509	-	97,509	232,530
Communications	<u>38,813</u>	<u>-</u>	<u>38,813</u>	<u>69,080</u>
Total Supporting Services	<u>\$ 318,315</u>	<u>\$ -</u>	<u>\$ 318,315</u>	<u>\$ 550,428</u>
Total Operating Expenses	<u>\$ 959,993</u>	<u>\$ -</u>	<u>\$ 959,993</u>	<u>\$ 1,481,739</u>
Change in Net Assets, Before Net Realized and Unrealized Gains and (Losses) on Investments	\$ 326,898	\$ (184,456)	\$ 142,442	\$ (437,929)
Net Realized and Unrealized Gains and (Losses) on Investments	<u>10,077</u>	<u>-</u>	<u>10,077</u>	<u>(5,215)</u>
<b>Change in Net Assets</b>	<u>\$ 336,975</u>	<u>\$ (184,456)</u>	<u>\$ 152,519</u>	<u>\$ (443,144)</u>
<b>NET ASSETS, Beginning of Year</b>	<u>398,320</u>	<u>377,348</u>	<u>775,668</u>	<u>1,218,812</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 735,295</u>	<u>\$ 192,892</u>	<u>\$ 928,187</u>	<u>\$ 775,668</u>

**NEW DETROIT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	Program Services				Supporting Services	2019 Total	2018 Total
	Improving Educational Opportunity	Racial Understanding/ Racial Equity	Management and General	Fundraising	Communications		
<b>Employee Compensation:</b>							
Salaries	\$ 8,755	\$ 175,459	\$ 106,869	\$ 37,246	\$ 9,434	\$ 337,763	\$ 586,997
Fringe Benefits	285	27,132	8,668	7,215	1,438	44,738	102,011
Payroll Taxes	800	14,481	7,895	3,003	751	26,930	40,219
<b>Total Employee Compensation</b>	<b>\$ 9,840</b>	<b>\$ 217,072</b>	<b>\$ 123,432</b>	<b>\$ 47,464</b>	<b>\$ 11,623</b>	<b>\$ 409,431</b>	<b>\$ 729,227</b>
<b>Other Expenses:</b>							
Program Initiatives	-	19,403	1,000	-	-	20,403	30,011
Community Support	320	40	-	-	-	360	9,508
Occupancy	-	56,676	19,421	16,355	11,244	103,696	117,549
Professional and Consulting Fees	8,777	93,684	16,928	23,097	8,348	150,834	279,200
Program Grants	2,796	196,235	-	-	-	199,031	237,177
Office Supplies	-	15,165	5,527	5,405	3,950	30,047	38,406
Conferences	-	8,744	6,220	606	333	15,903	5,171
Telephone	-	1,788	614	605	443	3,450	5,681
Meetings and Committee Expenses	-	2,121	1,023	813	595	4,552	4,997
Insurance	-	5,728	2,142	2,109	1,545	11,524	10,850
Repairs and Maintenance	-	16	6	6	4	32	896
Dues and Subscriptions	-	433	302	88	44	867	5,577
Moving Costs	-	1,351	528	520	381	2,780	-
Loss on Disposal of Fixed Assets	-	-	1,448	-	-	1,448	-
Miscellaneous	-	-	2,878	-	-	2,878	4,730
<b>Total Expenses Before Depreciation</b>	<b>\$ 21,733</b>	<b>\$ 618,456</b>	<b>\$ 181,469</b>	<b>\$ 97,068</b>	<b>\$ 38,510</b>	<b>\$ 957,236</b>	<b>\$ 1,478,980</b>
Depreciation	-	1,489	524	441	303	2,757	2,759
<b>Total Expenses</b>	<b>\$ 21,733</b>	<b>\$ 619,945</b>	<b>\$ 181,993</b>	<b>\$ 97,509</b>	<b>\$ 38,813</b>	<b>\$ 959,993</b>	<b>\$ 1,481,739</b>

The accompanying notes are an integral part of this statement.

**NEW DETROIT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 152,519	\$ (443,144)
Adjustments to Reconcile Change in Net Assets to net Cash Provided by (Used for) Operating Activities		
Depreciation	2,757	2,759
Loss on Disposal of Fixed Assets	1,448	-
Net Realized and Unrealized (Gains) and Losses on Investments	(10,077)	5,215
Change in Grants and Accounts Receivable	(157,655)	133,075
Change in Prepaid Expenses	4,718	4,938
Change in Accounts Payable and Accrued Expenses	(56,356)	35,485
Change Increase in Fiduciary Deposits Payable	<u>(150,000)</u>	<u>150,000</u>
Net Cash Used for Operating Activities	<u>\$ (212,646)</u>	<u>\$ (111,672)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Purchases, Issuances and Settlements	<u>\$ 2,880</u>	<u>\$ 574</u>
Net Cash Provided by (Used for) Investing Activities	<u>\$ 2,880</u>	<u>\$ 574</u>
<b>Decrease in Cash and Cash Equivalents</b>	<b>\$ (209,766)</b>	<b>\$ (111,098)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>910,381</u>	<u>1,021,479</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u><u>\$ 700,615</u></u>	<u><u>\$ 910,381</u></u>

The accompanying notes are an integral part of this statement.



NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

**(1) NATURE OF OPERATIONS**

New Detroit, Inc. (the “Corporation”) is a coalition of leaders working to achieve racial understanding and racial equity in Metropolitan Detroit. The Corporation’s principal source of revenue is from grants and contributions.

The Corporation provides the following program services to communities:

Racial Understanding – To provide leadership to advance race relations in all areas of our community by providing forums, information, advocacy and learning experiences that lead to more equitable outcomes for people of color.

Racial Equity – To provide leadership and direction for achieving equity among all races in the areas of income, quality education & health and safety in Detroit.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and are in conformity with the industry audit guide for Audits of Not-for-Profit Entities published by the American Institute of Certified Public Accountants.

Principles of Reporting

The Corporation adopted FASB issued ASU 2016-14, Not-for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Net Assets Presentation

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Corporation’s management and the board of directors.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions by the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

**(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Assets Presentation (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Recognition of Contributions

Contributions received are recorded as with donor restrictions and without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Tax Exempt Status

The Corporation has been classified by the Internal Revenue Service ("IRS") as a not-for-profit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Additionally, the Corporation has been classified by the IRS as an organization that is not a private foundation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all short-term securities purchased with maturities of three months or less to be cash equivalents.

Fixed Assets

Fixed assets are carried at cost or, if donated, at fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from five to ten years. The Corporation's policy is to capitalize acquisitions of five hundred dollars or more.

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses

In the Statement of Functional Expenses, salaries and both direct and indirect expenses are allocated to program services and management and general services based on the employee's time devoted to those programs. The percentage of employee's time devoted to those programs are then multiplied by the square footage of the employee's office floor space.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Corporation uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Corporation utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Corporation applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. The FASB codification establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value, and provides specific disclosure requirements based on the hierarchy. The FASB codification requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The various levels of the FASB codification fair value hierarchy are described as follows:

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

**(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fair Value Measurements (continued)

- *Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Corporation has the ability to access.
- *Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- *Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The FASB Codification requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

**(3) CONCENTRATIONS OF RISK**

Concentration of Credit Risk

Financial instruments which can potentially subject the Corporation to concentrations of credit risk consist principally of cash, cash equivalents, grants receivable and accounts receivable. The Corporation's cash is in two different banking institutions. At December 31, 2019, the carrying balance is \$700,615 and the bank balance is \$703,918, which exceeded the FDIC limit by \$345,031. The Corporation's grants receivable and accounts receivable are principally due from foundations.

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**(4) GRANTS AND ACCOUNTS RECEIVABLE**

Grants and accounts receivable as of December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Grants Receivable	\$ 150,000	\$ -
Accounts Receivable	<u>55,865</u>	<u>48,210</u>
Total Grants and Accounts Receivable	<u>\$ 205,865</u>	<u>\$ 48,210</u>

An allowance for uncollectible accounts was not considered necessary at December 31, 2019 and 2018.

**(5) INVESTMENTS**

The Corporation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2019 are summarized as follow:

<u>Description</u>	Level 1: Quoted Prices in Active Markets for <u>Identical Assets</u>	Level 2: Significant Other Observable <u>Inputs</u>	Level 3: Significant Unobservable <u>Inputs</u>	<u>Fair Value at Reporting Date</u>	
				<u>2019</u>	<u>2018</u>
Investment in Endowment Fund	\$ -	\$ -	\$ 62,250	\$ 62,250	\$ 55,053
Cash and Cash Equivalents	<u>700,615</u>	<u>-</u>	<u>-</u>	<u>700,615</u>	<u>\$ 910,381</u>
Total	<u>\$ 700,615</u>	<u>\$ -</u>	<u>\$ 62,250</u>	<u>\$ 762,865</u>	<u>\$ 965,434</u>

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**(5) INVESTMENTS (CONTINUED)**

The fair value reconciliation of the Corporation's Level 3 assets measured at fair value on a recurring basis for the year ended December 31, 2019 is as follows:

	<b><u>Endowment Fund</u></b>
Beginning Balance January 1, 2019	\$ 55,053
Net Gains and (Losses) Realized/Unrealized included in the Statement of Activities	10,077
Purchases, Issuances and Settlements	<u>(2,880)</u>
Ending Balance December 31, 2019	<u>\$ 62,250</u>
Unrealized Gains and (Losses) on Assets held at December 31, 2019	<u>\$ 10,077</u>

**(6) AVAILABILITY AND LIQUIDITY**

The following represents the Corporation's financial assets at December 31, 2019:

Financial Assets at Year End:

Cash	\$ 700,615
Grants and Contracts Receivable	<u>205,865</u>
Total Financial Assets	\$ 906,480

Less amounts not available to be used  
within one year:

Net Assets with Donor Restriction	<u>192,892</u>
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Financial Assets available to meet  
general expenditures over the next  
twelve months

\$ 713,588

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
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**(7) PROPERTY AND EQUIPMENT**

Property and equipment activity for the year ended December 31, 2019 is presented below:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Furniture and Equipment	\$ 67,207	\$ -	\$ (24,983)	\$ 42,224
Less: Accumulated Depreciation	<u>(59,463)</u>	<u>(2,757)</u>	<u>23,535</u>	<u>(38,685)</u>
Net Total	<u>\$ 7,744</u>	<u>\$ (2,757)</u>	<u>\$ (1,448)</u>	<u>\$ 3,539</u>

**(8) FIDUCIARY DEPOSITS**

The Corporation acts as a fiduciary for several non-profit organizations. As such, the Corporation receives contributions from various funding sources on behalf of its client organizations. These funds are held in a fiduciary capacity until they are disbursed. Under the FASB codification, the Corporation reports amounts received and not disbursed on behalf of its clients as Cash and Cash Equivalents and Fiduciary Deposits Payable. Activity in Fiduciary Deposits Payable for the years ended December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Balance, Beginning of Year	\$ 180,133	\$ 30,133
Funds Received as a Fiduciary	-	150,000
Funds Disbursed as a Fiduciary	<u>(150,000)</u>	<u>-</u>
Balance, End of Year	<u>\$ 30,133</u>	<u>\$ 180,133</u>

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**(9) CHARITABLE ENDOWMENT FUND**

The Corporation has established the New Detroit Race Relations Fund (the "Endowment Fund") as a component fund of the Community Foundation for Southeast Michigan (the "Foundation"). The Endowment Fund is an asset of the Foundation. The Foundation transfers earnings on the Endowment Fund to the Corporation periodically in the form of grants so long as the Corporation continues to meet its tax-exempt purpose. In accordance with the FASB

Codification, the portion of the Endowment Fund that was funded by the Corporation, plus net earnings on that balance, represent a reciprocal transfer and are therefore included in the Corporation's financial statements.

The fair value of the Endowment Fund as of December 31, 2019 and 2018, and the portion included in the Corporation's investments, are as follows:

	<u>2019</u>	<u>2018</u>
Fair Value of the Endowment Fund	<u>\$ 97,396</u>	<u>\$ 86,135</u>
Portion of Endowment Fund included in the Financial Statements:		
Without Donor Restrictions	<u>\$ 62,250</u>	<u>\$ 55,053</u>

Reconciliations of the fair value of Endowment Fund assets included in the Corporation's financial statements as of December 31, 2019 and 2018 are as follows:

	<u>Without Donor Restrictions</u>	
	<u>2019</u>	<u>2018</u>
Changes in Endowment Fund Assets:		
Net Realized and Unrealized (Loss)/Gain	\$ 10,077	\$ (5,215)
Less: Administrative Expenses	<u>(2,880)</u>	<u>(574)</u>
Net (Decrease)/Increase in Endowment Fund Assets	\$ 7,197	\$ (5,789)
Endowment Fund Assets, Beginning of Year	<u>55,053</u>	<u>60,842</u>
Endowment Fund Assets, End of Year	<u>\$ 62,250</u>	<u>\$ 55,053</u>



NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**(10) NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets With Donor Restrictions are available as of December 31, 2019 and 2018 for the following purposes and periods:

	<u>2019</u>	<u>2018</u>
Net Assets With Donor Restrictions-Program Activities		
Racial Understanding	\$ 15,900	\$ 328,037
Improving Educational Opportunity	23,173	45,492
Community Engagement	<u>3,819</u>	<u>3,819</u>
Total Net Assets With Donor Restrictions Programs-Program Activities	\$ 42,892	\$ 377,348
Net Assets With Donor Restrictions for use in Future Periods	<u>150,000</u>	<u>-</u>
Total Net Assets With Donor Restrictions	<u>\$ 192,892</u>	<u>\$ 377,348</u>

**(11) RELEASED NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets With Donor Restrictions were released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors, as follows:

	<u>2019</u>	<u>2018</u>
Net Assets With Donor Restrictions whose restrictions were accomplished for the following programs:		
Racial Understanding	\$ 318,482	\$ 438,675
Improving Educational Opportunity	<u>15,976</u>	<u>108,159</u>
Total Restricted for Programs	\$ 334,458	\$ 546,834
Net Assets With Donor Restrictions for use in Future Periods	<u>-</u>	<u>125,000</u>
Total Net Assets With Donor Restrictions Released from Restrictions	<u>\$ 334,458</u>	<u>\$ 671,834</u>

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
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**(12) LEASES**

The Corporation leases office space and copier equipment under non-cancelable operating leases. Total rental expense was \$124,011 and \$143,381 in 2019 and 2018, respectively.

Future minimum lease payments are as follow:

2020	\$	33,042
2021		44,568
2022		43,651
2023		35,218
2024		36,179
2025		<u>12,167</u>
Total	\$	<u>204,825</u>

**(13) COMPARATIVE TOTALS**

The financial statements include certain prior-year summarized comparative information in total but not in detail in a statement of functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements as of and for the year ended December 31, 2018, from which the summarized information was derived.

**(14) SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 5, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NEW DETROIT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

**(14) SUBSEQUENT EVENTS (CONTINUED)**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 23, 2020, Michigan governor Gretchen Whitmer ordered the closure of the physical location of every “non-life sustaining” business for what may be an extended period of time. The Corporation closed their physical locations and all employees began working remotely on March 16, 2020. Future potential impacts may include continued disruptions or restrictions on their employees’ ability to work and impairment of our ability to obtain contributions and volunteers. Many charitable organizations that the Corporation anticipated being sources of philanthropic revenue have focused their giving to COVID response and public health. In addition, many of the institutions that the Corporation anticipated providing fee-based services to have been disrupted. The future effects of these issues are unknown particularly as national attention has shifted to racial justice in the wake of health and mortality disparities by race and civil unrest following the death of George Floyd.

Subsequent to year end, the Corporation applied for and was approved a \$73,800 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Corporation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.