

DOGWOOD ALLIANCE, INC.
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Dogwood Alliance, Inc.
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Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dogwood Alliance, Inc.
Asheville, North Carolina

We have audited the accompanying financial statements of Dogwood Alliance, Inc., 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 Dogwood Alliance, 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 the Dogwood Alliance, Inc. 2018 financial statements, and our report dated May 20, 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.

Carliss & Solomon, PLLC

Asheville, North Carolina
May 8, 2020

Dogwood Alliance, Inc.
Statement of Financial Position
As of December 31, 2019

(With summarized comparative totals as of December 31, 2018)

	2019	2018
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Equivalents	\$ 1,236,353	\$ 1,193,274
Certificates of Deposit	656,196	401,956
Contributions Receivable	1,030,904	1,009,768
Grants Receivable	164,600	167,500
Security Deposit	7,000	7,000
Prepaid Expenses	10,943	8,947
Total Current Assets	3,105,996	2,788,445
<u>Long-Term Assets</u>		
Property and Equipment, Net	7,097	6,924
Total Long-Term Assets	7,097	6,924
Total Assets	\$ 3,113,093	\$ 2,795,369
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 11,597	\$ 44,198
Accrued Salaries	47,379	46,103
Payroll Tax and Benefit Liabilities	8,509	8,672
Total Current Liabilities	67,485	98,973
<u>Net Assets</u>		
Without Donor Restrictions	1,417,393	1,185,553
With Donor Restrictions	1,628,215	1,510,843
Total Net Assets	3,045,608	2,696,396
Total Liabilities and Net Assets	\$ 3,113,093	\$ 2,795,369

The accompanying notes are an integral part of these financial statements.

Dogwood Alliance, Inc.

Statement of Activities

Year Ended December 31, 2019

(With summarized comparative totals from the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
Support				
Foundation Grants	\$ 120,000	\$ 517,466	\$ 637,466	\$ 747,967
Contributions	189,467	1,300,000	1,489,467	1,245,808
Fundraising Events	6,601	-	6,601	3,351
Interest Income	33,080	-	33,080	22,500
In-Kind Contributions	740	-	740	240
Net Assets Released from Restrictions				
By Expiration of Time	1,000,000	(1,000,000)	-	-
By Expenditure	700,094	(700,094)	-	-
Total Support	2,049,982	117,372	2,167,354	2,019,866
Expenses				
Program Services				
Forests and Climate	416,123	-	416,123	484,579
Wetland Forest Initiative	252,802	-	252,802	250,995
Our Forests Aren't Fuel	585,831	-	585,831	476,801
Total Program Services	1,254,756	-	1,254,756	1,212,375
Management and General	295,183	-	295,183	279,489
Fundraising	268,203	-	268,203	260,503
Total Expenses	1,818,142	-	1,818,142	1,752,367
Change in Net Assets	231,840	117,372	349,212	267,499
Net Assets Beginning of Year	1,185,553	1,510,843	2,696,396	2,428,897
Net Assets at End of Year	\$ 1,417,393	\$ 1,628,215	\$ 3,045,608	\$ 2,696,396

The accompanying notes are an integral part of these financial statements.

Dogwood Alliance, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

(With summarized comparative totals from the prior year)

	Program Services			Supporting Services		Total 2019	Total 2018	
	Forests and Climate	Wetland Forest Initiative	Our Forests Aren't Fuel	Total Programs	Management and General			Fundraising
<u>Personnel Expenses</u>								
Salaries	231,479	149,381	274,081	654,941	162,809	161,962	979,712	900,351
Payroll Taxes	17,721	11,433	21,442	50,596	11,689	12,634	74,919	70,723
Retirement Plan	4,492	2,919	5,370	12,781	3,228	2,911	18,920	17,729
Health Insurance and HSA	28,417	18,311	26,859	73,587	16,309	17,055	106,951	111,209
Total Personnel	282,109	182,044	327,752	791,905	194,035	194,562	1,180,502	1,100,012
<u>Marketing and Education</u>								
Publication Design	5,438	284	2,327	8,049	-	261	8,310	13,552
Advertising	7,691	3,453	37,223	48,367	224	3,350	51,941	69,360
Research and Consulting	5,000	-	7,800	12,800	1,893	188	14,881	4,786
Events	2,660	1,404	23,365	27,429	4	4,477	31,910	27,131
Website	424	622	504	1,550	-	2,006	3,556	1,947
Printed Materials	2,919	181	3,197	6,297	-	4,122	10,419	11,290
Video Production	4,270	6,268	5,650	16,188	-	2,672	18,860	14,799
Supplies	1,022	1,960	935	3,917	5	2,394	6,316	14,136
Total Marketing and Education	29,424	14,172	81,001	124,597	2,126	19,470	146,193	157,001
<u>Professional Services</u>								
Consulting	27,311	180	23,155	50,646	36,350	3,377	90,373	101,936
Information Technology	1,466	1,008	1,368	3,842	843	842	5,527	5,414
Accounting and Human Resources	458	315	428	1,201	25,407	275	26,883	27,570
Legal	-	-	-	-	7,443	-	7,443	6,152
Total Professional Services	29,235	1,503	24,951	55,689	70,043	4,494	130,226	141,072

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The accompanying notes are an integral part of these financial statements.

Dogwood Alliance, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

(With summarized comparative totals from the prior year)

	Program Services			Supporting Services		Total 2019	Total 2018	
	Forests and Climate	Wetland Forest Initiative	Our Forests Aren't Fuel	Total Programs	Management and General			Fundraising
<i>(Continued from previous page)</i>								
<u>Meetings</u>								
Board of Directors	6,386	4,390	5,962	16,738	3,691	3,680	24,109	19,905
Other Meetings	1,694	1,854	2,290	5,838	1,485	2,001	9,324	18,418
Total Meetings	8,080	6,244	8,252	22,576	5,176	5,681	33,433	38,323
<u>Database</u>								
Growth	-	-	-	-	-	-	-	23,397
Maintenance	13,282	8,621	15,360	37,263	-	8,700	45,963	36,661
Total Database	13,282	8,621	15,360	37,263	-	8,700	45,963	60,058
<u>Telephone and Internet</u>								
Mobile and VoIP	3,645	2,550	3,674	9,869	3,377	2,370	15,616	17,778
Internet	744	511	695	1,950	448	447	2,845	2,790
Total Telephone and Internet	4,389	3,061	4,369	11,819	3,825	2,817	18,461	20,568
<u>Occupancy</u>								
Rent	18,337	12,605	17,172	48,114	10,830	10,802	69,746	68,135
Utilities	1,085	750	1,029	2,864	698	654	4,216	3,598
Maintenance	967	664	904	2,535	593	581	3,709	3,588
Total Occupancy	20,389	14,019	19,105	53,513	12,121	12,037	77,671	75,321

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The accompanying notes are an integral part of these financial statements.

Dogwood Alliance, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

(With summarized comparative totals from the prior year)

	Program Services			Supporting Services		Total 2019	Total 2018	
	Forests and Climate	Wetland Forest Initiative	Our Forests Aren't Fuel	Total Programs	Management and General			Fundraising
<i>(Continued from previous page)</i>								
<u>Operating and Other Expenses</u>								
Dues and Subscriptions	1,784	2,047	1,127	4,958	142	2,758	7,858	6,818
License and Fees	114	79	107	300	219	3,613	4,132	4,132
Insurance	1,851	1,506	1,862	5,219	1,201	1,198	7,618	8,707
IT Hardware and Software	669	823	711	2,203	1,095	473	3,771	5,013
Office Supplies and Postage	1,797	1,217	1,728	4,742	1,959	9,228	15,929	13,349
Travel	16,632	9,614	31,456	57,702	1,212	2,190	61,104	57,679
Trainings and Conferences	<u>1,422</u>	<u>2,852</u>	<u>1,050</u>	<u>5,324</u>	<u>2,029</u>	<u>982</u>	<u>8,335</u>	<u>12,212</u>
Total Operating and Other	<u>24,269</u>	<u>18,138</u>	<u>38,041</u>	<u>80,448</u>	<u>7,857</u>	<u>20,442</u>	<u>108,747</u>	<u>107,910</u>
Sub-total Expenses	<u>411,177</u>	<u>247,802</u>	<u>518,831</u>	<u>1,177,810</u>	<u>295,183</u>	<u>268,203</u>	<u>1,741,196</u>	<u>1,700,265</u>
Grant Disbursements	-	5,000	67,000	72,000	-	-	72,000	48,000
Depreciation Expense	<u>4,946</u>	<u>-</u>	<u>-</u>	<u>4,946</u>	<u>-</u>	<u>-</u>	<u>4,946</u>	<u>4,102</u>
Total Expenses	<u>\$ 416,123</u>	<u>252,802</u>	<u>585,831</u>	<u>1,254,756</u>	<u>295,183</u>	<u>268,203</u>	<u>1,818,142</u>	<u>1,752,367</u>

The accompanying notes are an integral part of these financial statements.

Dogwood Alliance, Inc.
Statement of Cash Flows
Year Ended December 31, 2019

(With summarized comparative totals from the prior year)

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	\$ 349,212	\$ 267,499
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Depreciation Expense	4,946	4,102
Interest Earned on Certificates of Deposit	(2,874)	(1,956)
(Increase)/Decrease in Operating Assets		
Grants Receivable	2,900	(29,500)
Contributions Receivable	(21,136)	(2,783)
Security Deposit	-	116
Prepaid Expenses	(1,996)	9,467
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(32,601)	14,058
Accrued Salaries	1,276	4,619
Payroll Tax and Benefit Liabilities	(163)	668
Net Cash Provided by Operating Activities	299,564	266,290
Cash Flows from Investing Activities		
Purchase of Equipment	(5,119)	(4,924)
Purchase of Certificates of Deposit	(390,000)	(400,000)
Net Cash Used by Investing Activities	(395,119)	(404,924)
Net Change in Cash and Cash Equivalents	(95,555)	(138,634)
Cash and Cash Equivalents at Beginning of Year	1,331,908	1,331,908
Cash and Cash Equivalents at End of Year	\$ 1,236,353	\$ 1,193,274

The accompanying notes are an integral part of these financial statements.

Dogwood Alliance, Inc.
Notes to Financial Statements
Year Ended December 31, 2019

1. Description of the Organization, Corporate and Tax-Exempt Status

Dogwood Alliance, Inc. (Dogwood) “mobilizes diverse voices to defend the unique forests and communities of the Southern U.S. from destruction by industrial forestry.”

Our Forests Aren’t Fuel (OFAF) – Biomass energy has emerged as a new threat to Southern forests. Despite the fact that deforestation is the third largest cause of carbon pollution just behind cars and power plants, European policy makers are promoting the burning of Southern forests for electricity to meet their “clean energy” targets. Our standing forests gather and store carbon, which makes them a key solution for carbon pollution. In response, Dogwood Alliance has a major campaign, Our Forests Aren’t Fuel, supporting alternative and competitive energy sources like solar and wind while pressuring companies who stand to gain from this practice to put a stop to it. We’re educating and activating citizens, policy makers and industry on both sides of the Atlantic to the dangers of this false energy solution.

Wetland Forest Initiative (WFI) – Wetland forests span nearly 25 million acres across nine states and are critical for community health and safety. They have some of the highest rates of biodiversity and carbon sequestration of any forest type in the US. In 2016, Dogwood Alliance launched the Wetland Forests Initiative to engage partners, citizens, political leaders, landowners and many others in a legacy landscape conservation initiative that will protect millions of acres throughout the Southeast.

Forests and Climate (F&C) – The Paris Climate Agreement gave the world a charge: decarbonize all energy sectors and simultaneously remove carbon dioxide from the air. The best and most cost-effective technology we have to remove carbon from our atmosphere right now lies in the power of forests. Standing forests are the natural life support that we need to mitigate the worst impacts of climate change. Logging in the US releases large amounts of carbon into the atmosphere while simultaneously degrading the nation’s forests ability to provide critical climate benefits. Despite these facts, forest protection continues to remain on the sidelines of the national climate agenda and renewable energy policy in the US. Dogwood Alliance’s new forest and climate program is designed to shift this dynamic and make forest protection a national priority by building support for the Stand4Forests national platform, developing new partnerships, and educating policymakers that lays the groundwork for new progressive forest policy.

Corporate and Tax-Exempt Status

Dogwood was incorporated in 1998 under the North Carolina Non-Profit Corporation Act and was recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code in July 1999. Dogwood is classified as a publicly supported organization under Section 509(a)(1).

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require an organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

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

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

Investments are reported at fair market value on the statement of financial position with realized and unrealized gains and losses reflected on the statement of activities.

Fair Value Measurements

In accordance with U.S. GAAP, the organization follows "Fair Value Measurements." This standard establishes a single definition of fair value and a framework for measuring fair value in financial statements under U.S. GAAP. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at an agreed upon measurement date. That is, fair value is based on an exit price, which may differ from the price paid to acquire the asset. If there is a principal market for the asset, fair value represents the price in that market." Financial assets carried at fair value on a recurring basis by the organization consist of a certificate of deposit held with one local financial institution.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The capitalization threshold is \$500 per item.

Contributions

Contributions are recognized when cash, securities, other assets, or unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. As restrictions expire, net assets are reclassified to net assets without donor restrictions and are reported on the statement of activities as "Net Assets Released from Restrictions."

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Contributed services are recognized in the financial statements if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. When recognized, contributed services are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function, require managements allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on time and effort.

Income Taxes/Uncertain Tax Positions

The organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2019 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other disclosures. The standard is effective for annual reporting periods beginning after December 15, 2018. Impacts to the 2018 financial statements from the revenue recognition standards are not considered significant and not required to be adjusted during the transition period.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2018, from which the summarized information was derived. Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

3. Liquidity and Availability

The organization's liquidity management plan is to invest cash in excess of daily requirements in a money market account or certificates of deposit. Occasionally, the Board may designate a portion of operating surplus to a reserve account. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

<u>As of December 31:</u>	<u>2019</u>	<u>2018</u>
Financial Assets at year end:		
Cash and Cash Equivalents	\$ 1,236,353	\$ 1,193,274
Certificates of Deposit	656,196	401,956
Contributions Receivable	1,030,904	1,009,768
Grants Receivable	164,600	167,500
Total Financial Assets	<u>\$ 3,088,053</u>	<u>\$ 2,772,498</u>

The total net assets with donor restrictions detailed in Note 9 are projected to be satisfied in the coming year through passage of time, achievement of program objectives, and operating expenditures.

Dogwood's goal is generally to maintain financial assets to meet a minimum of 90 days of essential operating expenses (approximately \$462,500).

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following bank account balances:

<u>As of December 31:</u>	<u>2019</u>	<u>2018</u>
Checking Account	\$ 41,083	\$ 50,350
Money Market Accounts	1,192,965	1,141,939
Undeposited Funds	2,305	985
Total Cash and Cash Equivalents	<u>\$ 1,236,353</u>	<u>\$ 1,193,274</u>

5. Certificates of Deposit

Dogwood held two twelve-month certificates of deposit maturing April 3, 2019 and October 3, 2020. The value of the certificates of deposits and reinvested interest totaled \$656,196 as of December 31, 2019.

6. Contributions Receivable

The year-end contributions receivable balance of \$1,030,904 as of December 31, 2019 comprises one pledge from an individual in the amount of \$1,000,000, in which Dogwood received payment in January 2020, thereby releasing the restriction listed in Note 9. The remaining balance consists of various smaller amounts that are believed to be fully collectible. Accordingly, no allowance account or discount to present value has been established for this account.

7. Grants Receivable

Grants receivable consists of foundation grants to be received in the following year. The balance were \$164,600 and \$167,500 as of December 31, 2019 and 2018, respectively.

8. Property and Equipment

Property and equipment consists of the following:

<u>As of December 31:</u>	<u>2019</u>	<u>2018</u>
Computer and Telephone Equipment	\$ 43,823	\$ 38,704
Less: Accumulated Depreciation	(36,726)	(31,780)
Property and Equipment, Net	<u>\$ 7,097</u>	<u>\$ 6,924</u>

9. Net Assets With Donor Restrictions

At year-end, net assets with donor restrictions were available for the following purposes:

<u>As of December 31:</u>	<u>2019</u>	<u>2018</u>
Forests and Climate	105	62,000
Wetland Forest Initiative	37,437	23,114
Our Forests Aren't Fuel	590,673	410,729
Organizational Development	-	15,000
Time Restricted for Operations	1,000,000	1,000,000
Total Net Assets With Donor Restrictions	<u>\$ 1,628,215</u>	<u>\$ 1,510,843</u>

10. Retirement Plan

Dogwood provides a SIMPLE IRA account for each eligible employee and make a non-elective contribution of two percent of their salary. Total retirement plan expense to the organization was \$18,920 and \$17,729 for the years ended December 31, 2019 and 2018 respectively.

11. Lease Commitments

Dogwood leases office space on a lease expiring July 31, 2022. Rental payments are adjusted for inflation annually. The rental payment at the end of the audit year was \$5,416 per month. Rent expense was \$69,746 and \$68,135 for the years ended December 31, 2019 and 2018 respectively for this lease commitment. Future minimum lease obligations to be paid in 2020 total \$64,992.

12. Concentration of Support

In 2019, Dogwood received 60% of its total support from a single donor. In 2018, Dogwood received 56% of its total support from the same single donor.

13. Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

<u>Financial Asset:</u>	<u>Fair Value</u>	<u>Fair Value Measurements at</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Certificate of Deposits	\$ 656,196	\$ 656,196	\$ -	\$ -
Total	<u>\$ 656,196</u>	<u>\$ 656,196</u>	<u>\$ -</u>	<u>\$ -</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

Financial assets valued using Level 3 inputs are based at least partially on unobservable inputs and often require that management make assumptions to value the assets.

14. *Subsequent Events*

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of the geographical area in which the organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the organization, to date, the organization is expecting a decline in revenue through the remainder of 2020. The potential for subsequent decline in foundation grants and major/individual contributions make it reasonably possible that Dogwood Alliance may face the risk of a subsequent impact.

On April 20, 2020, the organization received a Paycheck Protection Program loan in the amount of \$207,835. This loan is potentially forgivable if the organization meets certain criteria. The loan has an interest rate of 1% and is due two years from the date of origination. There are no collateral requirements or personal guarantees associated with this loan.

Subsequent events have been evaluated through May 8, 2020, which is the date the financial statements were available to be issued.