

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Net Assets

C-Fam's net assets are reported in following two classes:

Unrestricted net assets: Includes unrestricted revenue and contributions received without donor - imposed restrictions. These net assets are available for the operation of C-Fam and include both internally designated and undesignated resources.

Temporarily restricted net assets: Includes revenue and contributions subject to donor-imposed stipulations that will be met by the actions of C-Fam and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions

Contributions are recorded as revenue in the year notification is received from the donor. Contributions are recorded as restricted support if they are received with donor - stipulations that limit the use of the donated assets and which cannot be altered by actions of C-Fam. Contributions whose restrictions are fulfilled in the same period are recorded as unrestricted support in the statement of activities. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from donor restrictions.

**Functional
Allocation of
Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – FAIR VALUE MEASUREMENT

The Organization reports financial assets and liabilities in accordance with ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.



C-Fam, Inc.
NOTES TO FINANCIAL STATEMENTS(CONTINUED)
For year ended December 31, 2019

ASC 820 established a three-level disclosure hierarchy to indicate the level of judgment used to estimate fair value measurements as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities as of the reporting date;
- Level 2 – quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices (such as interest rate and yield curves);
- Level 3 – uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment.

The tables below summarize investments by level for items measured at fair value on a recurring basis at December 31, 2019:

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Cash	\$ 14,209	\$ -	\$ -	\$ 14,209
Common stock equities	84,714	-	-	84,714
Total	\$ 98,923	\$ -	\$ -	\$ 98,923

At December 31, 2019 the organization had unrealized gain of \$20,680 and realized loss of \$3,275.

NOTE 4 – FIXED ASSET

Fixed Assets consisted of the following:

Description	December 31, 2019
Equipment	\$ 13,143
Less accumulated depreciation	(13,143)
	\$ -

During the period ended December 31, 2019, the Organization had depreciation expense of \$0.



C-Fam, Inc.
NOTES TO FINANCIAL STATEMENTS(CONTINUED)
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NOTE 5 – ACCOUNTS PAYABLE

Accounts Payable consisted of the following:

Description	December 31, 2019
Accounts payable	\$ 32,698
Chase Credit Card	29
Executive Director Credit Card	-
American Express Credit Card	353
Accrued Expense	-
Payroll Liability	18,689
	\$ 51,769

During the period ended December 31, 2019, the Organization had 36% of its total liabilities which was related to one vendor and \$1,701 were items with over 90 day aging.

NOTE 6 – LEASE COMMITMENTS

Effective October 28, 2014, the Organization entered into a 5-years and 2 month lease agreement to lease office space in New York, New York, which expires in November 28, 2019. This lease currently calls for monthly payments of \$9,844.

Effective September 30, 2019, the Organization entered into a 1-year lease agreement to lease office space in Virginia which expires in August 31, 2019. This lease currently calls for monthly payments of \$3,400;

The following is a summary of the minimum lease payments required under all non-cancelable lease agreements with original terms of greater than one year for the years ending December 31:

<i>For the Year Ended December 31,</i>	Amount
2019	\$ 122,381
2020	\$ 27,200
Total minimum lease payments	\$ 149,581

Rent expense for the years ended December 31, 2019 was \$200,349.



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The Organization is obligated under the terms of three separate financing arrangements for the purchase of office equipment. The loan is secured by the equipment, are payable in monthly installments of \$337, and is classified as capital lease with lease terms through May 2017. Amortization of these assets under capital leases is included in depreciation expense.

The asset acquired under capital lease included in property and equipment is as follows.

Equipment	\$	13,143
Less: Accumulated amortization		(13,143)
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	\$	-

NOTE 7 - SUBSEQUENT EVENTS

Subsequent events were evaluated through September 10, 2020, which is the date the financial statements were available to be issued.

C-FAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Compensation - officers, directors, etc.	\$ 150,266	\$ -	\$ -	\$ 150,266
Other salaries	343,839	15,750	5,250	364,839
Other employee benefits	126,049	-	-	126,049
Payroll taxes	39,277	-	-	39,277
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Total salaries and related expenses	659,430	15,750	5,250	680,430
Professional fees - accounting	-	19,113	-	19,113
Advertising/promotion	-	-	-	-
Office expenses	165,681	284	1,858	167,823
Information technology	4,586	437	437	5,459
Occupancy	168,306	16,029	16,029	200,364
Travel	52,005	-	7,593	59,599
Depreciation and amortization	-	-	-	-
Insurance	-	6,991	-	6,991
Bad debt	-	-	-	-
Contracted services	79,860	-	1,630	81,490
Program activities	3,795	-	-	3,795
Training	1,071	-	-	1,071
Communication	10,181	476	476	11,133
Interest expense	-	26,502	-	26,502
Other expenses	77,502	20,584	6,792	104,878
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Total expenses	\$ 1,222,417	\$ 106,165	\$ 40,065	\$ 1,368,647

See Independent Auditors' Report and accompanying notes to Financial Statements