VIRGINIA MENTORING PARTNERSHIP
dba MENTOR Virginia

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

CONTENTS

HARRIS, HARDY & JOHNSTONE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Virginia Mentoring Partnership dba MENTOR Virginia
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Virginia Mentoring Partnership dba MENTOR Virginia (a nonprofit organization) (the "Partnership"), which comprise the statements of financial position as of December 31, 2019 and 2018, and 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 Partnership'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 Partnership'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.

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__Opinion__

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Mentoring Partnership dba MENTOR Virginia as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Harris, Hardy & Johnstone, P.C.

Richmond, Virginia
June 24, 2020

VIRGINIA MENTORING PARTNERSHIP dba MENTOR Virginia

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 108,729	$ 98,335
Accounts receivable	9,500	40,656
Prepaid expenses	619	635
Property and equipment, net	9,439	1,543
	$ 128,287	$ 141,169
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 49,062	$ 31,529
Contract liability	33,000	25,875
TOTAL LIABILITIES	82,062	57,404
NET ASSETS		
Without donor restrictions	46,225	83,765
	$ 128,287	$ 141,169

See Independent Auditor's Report and Notes to Financial Statements

VIRGINIA MENTORING PARTNERSHIP dba MENTOR Virginia

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Support, Other Than Special Events			
Contributions			
Individuals	$ 38,899	$ -	$ 38,899
Corporations	7,237	288,250	295,487
In-kind	73,583	-	73,583
Total Support, Other Than Special Events	119,719	288,250	407,969
Special Events			
Special event contributions and sponsorships	15,816	-	15,816
Special event revenue	1,950	-	1,950
Less: Direct benefits to donors	(3,781)	-	(3,781)
Net Support from Special Events	13,985	-	13,985
Program Services Revenue			
Fees for training services/conferences	122,526	-	122,526
Total Program Services Revenue	122,526	-	122,526
Other Revenues, Gains and (Losses)			
Investment return, net	314	-	314
Net Assets Released from Restrictions			
Satisfaction of program restrictions	288,250	(288,250)	-
Satisfaction of use restrictions	-	-	-
Total Net Assets Released from Restrictions	288,250	(288,250)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	544,794	-	544,794
EXPENSES AND LOSSES			
Program Services			
Training and technical assistance	427,566	-	427,566
Management and General	56,280	-	56,280
Fundraising	98,488	-	98,488
TOTAL EXPENSES AND LOSSES	582,334	-	582,334
CHANGE IN NET ASSETS	(37,540)	-	(37,540)
NET ASSETS, beginning of year	83,765	-	83,765
Restatement of beginning net assets	-	-	-
NET ASSETS, beginning of year as restated	83,765	-	83,765
NET ASSETS, end of year	$ 46,225	$ -	$ 46,225

See Independent Auditor's Report and Notes to Financial Statements

VIRGINIA MENTORING PARTNERSHIP dba MENTOR Virginia

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Support, Other Than Special Events			
Contributions			
Individuals	$ 70,585	$ -	$ 70,585
Corporations	20,917	289,875	310,792
In-kind	74,734	-	74,734
Total Support, Other Than Special Events	166,236	289,875	456,111
Special Events			
Special event contributions and sponsorships	39,329	-	39,329
Special event revenue	9,069	-	9,069
Less: Direct benefits to donors	(9,729)	-	(9,729)
Net Support from Special Events	38,669	-	38,669
Program Services Revenue			
Fees for training services/conferences	127,803	-	127,803
Total Program Services Revenue	127,803	-	127,803
Other Revenues, Gains and (Losses)			
Investment return, net	232	-	232
Net Assets Released from Restrictions			
Satisfaction of program restrictions	337,906	(337,906)	-
Satisfaction of use restrictions	10,000	(10,000)	-
Total Net Assets Released from Restrictions	347,906	(347,906)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	680,846	(58,031)	622,815
EXPENSES AND LOSSES			
Program Services			
Training and technical assistance	428,515	-	428,515
Management and General	56,897	-	56,897
Fundraising	107,812	-	107,812
TOTAL EXPENSES AND LOSSES	593,224	-	593,224
CHANGE IN NET ASSETS	87,622	(58,031)	29,591
NET ASSETS, beginning of year	25,018	58,031	83,049
Restatement of beginning net assets	(28,875)	-	(28,875)
NET ASSETS, beginning of year as restated	(3,857)	58,031	54,174
NET ASSETS, end of year	$ 83,765	$ -	$ 83,765

See Independent Auditor's Report and Notes to Financial Statements

VIRGINIA MENTORING PARTNERSHIP dba MENTOR Virginia

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Training and Technical Assistance	Management and General	Fundraising	Total
Salaries and wages	$ 148,495	$ 23,063	$ 58,726	$ 230,284
Fringe benefits	43,082	9,163	23,333	75,578
	191,577	32,226	82,059	305,862
VCU facilities and administrative charge	90,211	8,491	7,429	106,131
Program training costs	92,540	-	-	92,540
Office rent	29,744	2,799	2,449	34,992
Audit and accounting	1,335	12,015	-	13,350
Travel	12,072	-	-	12,072
Fund development and counseling	2,198	-	8,523	10,721
Staff training	2,943	-	-	2,943
Meetings	1,766	93	-	1,859
Public relations and promotional materials	157	-	1,416	1,573
Telecommunications	1,142	127	-	1,269
Supplies and materials	991	93	82	1,166
Depreciation	807	76	67	950
Miscellaneous	63	337	-	400
Postage	20	23	244	287
TOTAL EXPENSES	427,566	56,280	102,269	586,115
Direct benefits to donors	-	-	(3,781)	(3,781)
PER STATEMENT OF ACTIVITIES	$ 427,566	$ 56,280	$ 98,488	$ 582,334

See Independent Auditor's Report and Notes to Financial Statements

VIRGINIA MENTORING PARTNERSHIP dba MENTOR Virginia

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Training and Technical Assistance	Management and General	Fundraising	Total
Salaries and wages	$ 148,962	$ 22,776	$ 62,800	$ 234,538
Fringe benefits	40,358	8,716	23,927	73,001
	189,320	31,492	86,727	307,539
VCU facilities and administrative charge	85,221	8,021	7,018	100,260
Program training costs	96,390	-	-	96,390
Office rent	27,455	2,584	2,261	32,300
Fund development and counseling	6,699	-	19,844	26,543
Audit and accounting	1,326	11,934	-	13,260
Travel	10,653	-	-	10,653
Telecommunications	3,706	377	170	4,253
Staff training	2,706	-	-	2,706
Supplies and materials	2,295	216	189	2,700
Depreciation	1,237	116	102	1,455
Meetings	1,330	70	-	1,400
Miscellaneous	51	1,259	-	1,310
Public relations and promotional materials	102	-	937	1,039
Bad debt	-	800	-	800
Postage	24	28	293	345
TOTAL EXPENSES	428,515	56,897	117,541	602,953
Direct benefits to donors	-	-	(9,729)	(9,729)
PER STATEMENT OF ACTIVITIES	$ 428,515	$ 56,897	$ 107,812	$ 593,224

See Independent Auditor's Report and Notes to Financial Statements

VIRGINIA MENTORING PARTNERSHIP dba MENTOR Virginia

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (37,540)	$ 29,591
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	950	1,455
(Increase) decrease in		
Accounts receivable	31,156	(18,130)
Prepaid expenses	16	(499)
Increase (decrease) in		
Accounts payable	17,533	644
Contract liability	7,125	(5,500)
NET CASH PROVIDED BY OPERATING ACTIVITIES	19,240	7,561
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(8,846)	-
NET CASH USED IN INVESTING ACTIVITIES	(8,846)	-
NET INCREASE IN CASH	10,394	7,561
CASH AND CASH EQUIVALENTS, beginning of year	98,335	90,774
CASH AND CASH EQUIVALENTS, end of year	$ 108,729	$ 98,335

See Independent Auditor's Report and Notes to Financial Statements

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Virginia Mentoring Partnership dba MENTOR Virginia (the "Partnership") is a nonstock, not-for-profit corporation. The Partnership is engaged principally in providing mentoring relationships and economic opportunities for disadvantaged and at-risk youth in the Commonwealth of Virginia.

Summary of Significant Accounting Policies

The Partnership prepares its financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit entities. The significant accounting and reporting policies used by the Partnership are described subsequently to enhance the usefulness and understandability of the financial statements.

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 606, Revenue from Contracts with Customers) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in accounting principles generally accepted in the United States of America. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Partnership adopted ASC 606 with a date of the initial application of January 1, 2019, using the full-retrospective method.

As part of the adoption of ASC 606, the Partnership elected to use the following transition practical expedients: (1) revenue from contracts which begin and end in the same fiscal year has not been restated; and (2) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate.

The majority of the Partnership's revenue subject to ASC 606 is recognized over time based on the transfer of control. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of the Partnership's contracts do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of ASC 606 did not have a significant impact on the Partnership's financial position, results of operations, or cash flows. The Partnership's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Partnership's evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as of the date of the financial statements. On an ongoing basis, the Partnership's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Partnership’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Income Taxes

The Partnership is exempt from federal income taxes as defined under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Partnership’s tax-exempt purpose could be subject to taxation as unrelated business income. In addition, the Partnership qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Partnership may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Partnership and various positions related to the potential sources of unrelated business taxable income (UBTI). The Partnership has recognized no uncertain tax positions for the years ended December 31, 2019 and 2018. The Partnership is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash Equivalents

Cash equivalents include all deposits in banks and highly liquid investments with original maturity dates of less than three months. The carrying value of cash equivalents approximated fair value because of the short maturities of those financial instruments.

Accounts Receivable/Allowance

Accounts receivable are primarily unsecured non-interest-bearing amounts due from mentoring program services. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Unconditional Promises to Give

Unconditional promises to give are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value as of the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises.

Property and Equipment/Depreciation

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets.

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Contract Liability

Income from VISTA Host Fees received in advance is deferred and recognized over the period to which the fees relate.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Partnership, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Partnership must continue to use the resources in accordance with the donor's instructions.

The Partnership's unspent contributions are included in this class if the donor limited their use.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets - Continued

Net Assets With Donor Restrictions - Continued
When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Partnership, unless the donor provides more specific directions about the period of its use.

Revenue Recognition
Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Revenue Recognition Policy
The Partnership derives its revenues primarily from the services listed below. Revenues are recognized when control of these products or services is transferred to its customers, in an amount that reflects the consideration the Partnership expects to be entitled to in exchange for those services.

Performance Obligations
Training - For performance obligations related to training, control transfers to the trainees over time. Revenue is recognized over the course of the training, typically a 2 to 3-hour event. The Partnership provides training to corporations, educational institutions, and other nonprofits based on a set fee schedule, regardless of the number of participants. Cancellations and refunds are very infrequent.

VISTA Host Fees - For performance obligations related to the VISTA hosting, control transfers to the recipient over time, a one-year period from July 1st through June 30th. The Partnership charges a $500 startup fee plus $6,000-$7,000 in 2 installments. The second installment for the period subsequent to the financial statements is collected in advance, therefore creating a contract liability for deferred revenue. Occasionally a VISTA hosting agreement will end prematurely, and a refund is provided to the recipient for the prorated period.

NMRC TA Requests – For performance obligations related to National Mentoring Resource Center (NMRC) TA Requests, control transfers to the recipient over time, on average over 30 hours of consulting services. On occasion a consulting arrangement is shorter or extended up to 50 hours. The NMRC generally contracts VMP to provide 30 hours of onsite consulting training to other mentoring organizations in Virginia, which usually takes place over a few months. NMRC is charged $75 per hour for consulting service. There are generally no refunds or cancellations.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expense Recognition and Allocation

The cost of providing the Partnership's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Depreciation, facilities and equipment, office, and other expenses that cannot be directly identified are allocated based on management's best estimate of each program and supporting activity supported.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Partnership.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Partnership generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Concentrations of Credit Risk

The Partnership maintains its cash balances in one financial institution in Richmond, Virginia. Balances at December 31, 2019 and 2018 were insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Partnership had on deposit at times during 2019 and 2018 amounts in excess of FDIC coverage.

NOTE B - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 are:

Financial assets	
Cash and cash equivalents	$ 108,729
Accounts receivable	9,500
Prepaid expenses	619
Total financial assets	118,848
Less financial assets held to meet donor-imposed restrictions:	
Purpose restricted net assets (Note D)	-
Amount available for general expenditures within one year	$ 118,848

As part of the Partnership's liquidity management plan, cash in excess of operational requirements is invested in cash equivalents.

NOTE C - PROPERTY AND EQUIPMENT, NET

Property and equipment includes the following groups of assets as of December 31, 2019 and 2018:

	2019	2018
Equipment	$ 69,071	$ 60,225
Less: Accumulated depreciation	59,632	58,682
Net property and equipment	$ 9,439	$ 1,543

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2019 and 2018, none of the Partnership's net assets were restricted to training and technical assistance.

NOTE E - DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Partnership's revenue based on the time of satisfaction of performance obligations for the years ended December 31, 2019 and 2018:

	2019	2018
Performance obligations satisfied over time		
Training	$ 19,421	$ 15,404
VISTA Host Fees	49,400	54,749
NMRC TA Requests	53,705	57,650
Total revenue from performance obligations satisfied over time	$ 122,526	$ 127,803

NOTE F - IN-KIND DONATIONS

The Partnership applies to Virginia Commonwealth University (VCU) annually for a grant award that provides for VCU to act as the fiscal agent for the Partnership. Monthly, VCU bills the Partnership for the expenditures made on its behalf. Part of this monthly billing is a charge for indirect costs (facilities/administrative costs). VCU presently bills the Partnership 8% of direct costs for this charge versus the standard 30%. The difference for the year 2019 ($73,583) and the year 2018 ($74,734) has been recorded as an in-kind donation with an offsetting VCU facilities and administrative charge under expenses in the accompanying statements of activities.

The agreement with VCU expired December 31, 2019 and was extended for seven months. On April 30, 2020, the Partnership notified VCU that it would not extend the agreement beyond the July 31, 2020 and would no longer be a sponsored program of VCU. All Partnership operations will fall under its own 501c3 status and will no longer include any grant or sub-grant funding to VCU.

NOTE G - LEASE COMMITMENT

The Partnership entered into a lease for office space in January 2017. Lease expense under the lease was $34,992 and $32,300 for the years ended December 31, 2019 and 2018. As part of the terminated agreement with VCU, the Partnership's lease for office space expires July 31, 2020. Lease payments required under the lease between December 31, 2019 and July 31, 2020 total $18,842.

NOTE H - RESTATEMENT OF NET ASSETS

The Partnership previously recognized revenue from VISTA host fees when received rather than when earned. In accordance with accounting principles generally accepted in the United States of America, exchange revenue collected during calendar year 2017 for VISTA hosting related to services provided during the first half of calendar year 2018 should have been deferred until earned. As a result of this correction net assets as of January 1, 2018 has been restated and decreased by $28,875.

NOTE I - SUBSEQUENT EVENTS

In the preparation of its financial statements, the Partnership considered subsequent events through June 24, 2020, which was the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Partnership's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Partnership is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2020.