RESOURCE: A NONPROFIT COMMUNITY ENTERPRISE, INC.

Financial Statements
(With Independent Auditors' Report)

December 31, 2018 and 2017

RESOURCE: A NONPROFIT COMMUNITY ENTERPRISE, INC.
December 31, 2018 and 2017

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McSOLEY McCOY & CO.
Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
ReSOURCE: A Nonprofit Community Enterprise, Inc.
Williston, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of ReSOURCE: A Nonprofit Community Enterprise, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 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

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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditors' 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 ReSOURCE: A Nonprofit Community Enterprise, Inc. as of December 31, 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.

AN INDEPENDENT MEMBER OF BDO ALLIANCE USA
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Emphasis of Matter

As discussed in Note (1) to the financial statements, in 2018, the Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The most significant provisions of the update address classification of net assets, liquidity, and functional expense disclosures.

Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements and our report dated September 18, 2018, 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
August 23, 2019
VT Reg. No. 92-349

RESOURCE: A NONPROFIT COMMUNITY ENTERPRISE, INC.

Statements of Financial Position

December 31, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash	$ 345,389	$ 319,371
Accounts receivable, net of allowance	92,247	47,489
Grants receivable	126,110	199,485
Pledges receivable, net of allowance	179,002	152,216
Inventory	161,232	161,657
Prepaid expenses	24,611	68,566
Total current assets	928,591	948,784
Property and equipment		
Land	84,592	84,592
Machinery and equipment	295,032	214,015
Leasehold improvements	259,009	264,544
Vehicles	405,753	345,887
Buildings and building renovations	1,771,730	1,771,730
Website	14,000	14,000
	2,830,116	2,694,768
Less accumulated depreciation and amortization	(925,091)	(932,168)
Total property and equipment	1,905,025	1,762,600
Other Assets		
Pledges receivable, net of allowance	59,076	65,776
Security deposits	43,349	17,438
Total other assets	102,425	83,214
Total assets	$ 2,936,041	$ 2,794,598
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 56,806	$ 108,433
Current portion of long-term debt	124,696	61,948
Line of credit	-	205,000
Deferred revenue	33,159	-
Accrued wages and other payroll liabilities	212,775	201,130
Other accrued liabilities	60,962	19,858
Total current liabilities	488,398	596,369
Long-term debt, net of current portion	774,767	783,857
Total liabilities	1,263,165	1,380,226
Net assets:		
Without donor restrictions	1,252,179	1,118,262
With donor restrictions	420,697	296,110
Total net assets	1,672,876	1,414,372
Total liabilities and net assets	$ 2,936,041	$ 2,794,598

See accompanying notes to the financial statements.

RESOURCE: A NONPROFIT COMMUNITY ENTERPRISE, INC.

Statements of Activities

For the Year Ended December 31, 2018

With Summarized Comparative Totals for the Year Ended December 31, 2017

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Sales				
Sales, net of returns and allowances	$ 1,740,407	$ -	$ 1,740,407	$ 1,816,343
Less cost of goods sold	(716,955)	-	(716,955)	(745,187)
Less parts, fuel, and disposal	(169,916)	-	(169,916)	(163,229)
Total net sales	853,536	-	853,536	907,927
Operating Revenue				
Contributions	375,105	818,046	1,193,151	920,321
Donated goods	716,531	-	716,531	759,431
Donated facilities and services	31,667	-	31,667	25,000
Grants	903,627	-	903,627	1,268,997
Training fees	734,403	-	734,403	459,643
Rent income	5,500	-	5,500	-
Miscellaneous income	136,643	-	136,643	70,188
Net assets released from restrictions	693,459	(693,459)	-	-
Subtotal - support and revenue	3,596,935	124,587	3,721,522	3,503,580
Total sales and operating revenue	4,450,471	124,587	4,575,058	4,411,507
Expenses				
Program services	3,286,071	-	3,286,071	3,453,181
Support expenses:				
General and administrative expenses	755,956	-	755,956	594,148
Development	274,527	-	274,527	196,899
Total support expense	1,030,483	-	1,030,483	791,047
Total expenses	4,316,554	-	4,316,554	4,244,228
Total change in net assets	133,917	124,587	258,504	167,279
Net assets, beginning of year	1,118,262	296,110	1,414,372	1,247,093
Net assets, end of year	$ 1,252,179	$ 420,697	$ 1,672,876	$ 1,414,372

See accompanying notes to the financial statements.

RESOURCE: A NONPROFIT COMMUNITY ENTERPRISE, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2018

(With Summarized Comparative Totals for the Year Ended December 31, 2017)

	Program Services	General and Administrative	Development	Total 2018	Total 2017
Salaries	$ 1,990,251	$ 289,230	$ 166,431	$ 2,445,912	$ 2,441,837
Payroll taxes	147,531	75,917	7,951	231,399	264,475
Employee benefits	221,841	46,000	11,391	279,232	296,520
Subtotal - personnel costs	2,359,623	411,147	185,773	2,956,543	3,002,832
Occupancy	334,861	197,677	261	532,799	320,273
Professional services	42,983	59,951	49,540	152,474	179,668
Supplies and services	97,245	21,649	5,218	124,112	135,778
Depreciation and amortization	121,870	16,241	595	138,706	103,087
Essential goods program	83,731	-	-	83,731	94,304
Trainee stipends and support	71,908	200	10	72,118	123,038
Insurance	35,207	3,025	1,969	40,201	56,421
Vehicle expense	58,386	913	69	59,368	60,545
Property taxes	-	20	-	20	27,690
Advertising and printing	1,813	3,488	22,182	27,483	11,945
Other expenses	12,631	19,043	5,374	37,048	40,181
Interest	17,844	18,000	-	35,844	33,384
Office expense	28,602	3,643	846	33,091	28,189
Staff education and training	8,773	379	2,500	11,652	12,193
Travel	10,594	580	190	11,364	14,700
Subtotal - other expenses	926,448	344,809	88,754	1,360,011	1,241,396
Total expenses	$ 3,286,071	$ 755,956	$ 274,527	$ 4,316,554	$ 4,244,228

RESOURCE: A NONPROFIT COMMUNITY ENTERPRISE, INC.

Statements of Cash Flows

For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	$ 258,504	$ 167,279
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	138,706	103,087
Change in the allowances	(3,118)	18,500
(Increase) decrease in :		
Accounts receivable	(44,758)	28,157
Grants receivable	73,375	29,670
Pledges receivable	(20,086)	(169,992)
Inventory	425	(12,725)
Prepaid expenses	43,955	(11,570)
Security deposits	(25,911)	(2,400)
Increase (decrease) in:		
Accounts payable	(51,627)	26,258
Deferred revenue	33,159	(19,000)
Accrued wages and other payroll liabilities	11,645	17,561
Other accrued liabilities	41,104	268
Total adjustments	196,869	7,814
Net cash provided by operating activities	455,373	175,093
Cash Flows from Investing Activities		
Purchases of property and equipment	(277,269)	(143,239)
Cash Flows from Financing Activities		
Borrowings on line of credit	-	95,000
Payments on line of credit	(205,000)	(44,870)
Borrowings on long-term debt	119,410	45,000
Payments on long-term debt	(66,496)	(87,230)
Net cash provided by (used in) financing activities	(152,086)	7,900
Increase in cash	26,018	39,754
Beginning cash	319,371	279,617
Ending cash	$ 345,389	$ 319,371

See accompanying notes to the financial statements.

(1) Summary of Operations and Significant Accounting Policies

(a) Operations

ReSOURCE: A Nonprofit Community Enterprise, Inc. (the "Organization") is a private, nonprofit corporation dedicated to conservation, job skills training and poverty relief. The Organization integrates conservation and training by collecting used appliances and other household items which are refurbished and offered for sale and given away to homeless and disadvantaged individuals. The Organization also incorporates salvage and reuse of building materials into each of its reuse stores. Training programs are offered in office administration, retail sales, appliance and computer systems repair, and construction/carpentry. The Organization has operations in Burlington, Williston, Hyde Park, and Barre, Vermont. Sources of revenue includes sales, federal, state and foundation grants, services, and individual contributions.

(b) Programs and activities

The Organization's mission is to empower individuals and strengthen Vermont communities through workforce development, poverty relief, and environmental stewardship. The Organization is dedicated to extending its impact, changing more lives, providing relief, retraining, rebuilding, repairing, and restoring.

The significant programs of the Organization are as follows:

- Four household goods and building material stores accept donated items that are refurbished and repaired and then sold or given away. More than a half million items including major appliances, computers, electronics, furniture, household goods, lumber, doors, windows, and other building materials are kept out of the landfill and made available for reuse.

- The Organization trains 300 individuals annually through seven distinct training programs. These include workforce development programs that lead directly to employment (Apprentice-Style Training, Career Path, SEO, YouthBuild) and Work Experience Training (Career Start, LEAP, ReachUp). Participants are trained for occupations in construction, weatherization, appliance repair, computer repair, networking, and retail sales. Each training program offers a unique combination of hands-on experimental and classroom-based learning. In addition to the personal and professional developmental curriculum used by all programs, YouthBuild also provides academic training that leads to a high school degree.

- Launched in 1998, Essential Goods Program (EGP) unites local and regional nonprofits and services providers to provide essential household items and building materials to those who most need them. The EGP allocates a requested donation amount to the partner organization, and these organizations then issue vouchers to their clients to "purchase" goods and services.

- The Organization operates a full-service appliance repair service in order to service the salvaged machines it sells, and to ensure that trainees in the appliance repair program develop the necessary skills to succeed as appliance technicians.

Summary of Operations and Significant Accounting Policies (continued)

- Other services operated by the Organization to promote its environmental mission and support its training include computer repair, pickup and delivery truck services at each location, and construction work, including affordable housing construction, weatherization and solar installation. Construction services are provided through the Organization's Barre and Burlington YouthBuild programs.

(c) Income taxes

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on income related to its exempt purpose as a public charity pursuant to Section 509(a)(1). In addition, contributions to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi). The Organization does not believe that there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. The Organization is no longer subject to federal and state income tax examinations by tax authorities for years before the tax year ended December 31, 2015.

(d) Financial statement presentation

During 2018, the Organization adopted ASU 2016-14, *Not-for-Profit Entities* (Topic 958), which requires organizations to modify the financial statement presentation of not-for-profit organizations. Some of the key changes in the new standard reduces net asset classifications from three to two, increases disclosures over board-designated net assets, and requires new liquidity and availability disclosures in the notes to the financial statements.

The Organization is required to report its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

(e) Contributions

The Organization reports contributions as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated investments are also reported at fair value at the date of receipt, which is then treated as cost. The Organization records an in-kind donation and related facility expense for the 339 Pine Street, Burlington property to approximate the fair value of the donated facility.

Summary of Operations and Significant Accounting Policies (continued)

(f) Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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. 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.

(g) Comparative financial information

The financial statements include certain prior year summarized comparative information in total, but does not include the nature of the 2017 expenses and costs incurred in each functional category. 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 financial statements for the year ended December 31, 2017, from which the summarized information was derived.

(h) Property and equipment

Property and equipment are carried at cost when acquired by purchase, and at estimated fair market value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Organization's policy is to capitalize all acquisitions over $1,500. Useful lives of the Organization's property and equipment range from 3 to 40 years.

(i) Inventory

The Organization's inventory consists of in-kind donations, including household goods, furniture, building materials, appliances, electronics and computers. Inventory also consists of some purchased goods related to solar hot water systems. Inventory is valued based on the nature of the item. All appliances and computers are valued at a pre-determined unit value. All other inventory items are valued at year end based on their average current year sales information.

Summary of Operations and Significant Accounting Policies (continued)

(j) Reclassifications

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

(k) Cash and cash equivalents / credit risk

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Amounts on deposit are insured by the FDIC up to $250,000, per insured bank, per depositor. There were no amounts on deposit in excess of the amount insured by the FDIC as of December 31, 2018 and 2017.

(l) Advertising

Advertising costs are charged to expense when incurred. Advertising expense was $27,483 and $11,945 for the years ended December 31, 2018 and 2017, respectively.

(m) Estimates

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

(n) Sales tax

The Organization collects sales tax. The amount received is credited to a liability account and as payments are made this account is charged. At any point in time, this account represents the amount owed to the taxing authority for amounts collected but not yet remitted.

(o) Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis as a separate statement in the financial statements. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs, development, and general and administrative departments of the Organization.

The financial statements report certain categories of expenses that are attributed more than one program or supporting function. Therefore, expense require allocation on a reasonable basis that is consistently applied. Expenses that are allocated on the basis of predetermined percentages include wages and benefits, insurance, interest, property taxes, and professional services.

Summary of Operations and Significant Accounting Policies (continued)

(p) Recently issued accounting standards

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope and accounting guidance for both contributions received and made to assist all entities in evaluating whether a transaction should be accounted for as a contribution or exchange transaction. This standard should be accounted for as a contribution or exchange transaction. This standard should be applied on a modified perspective basis. Retrospective application is permitted.

The new standard is effective for the Organization for fiscal years beginning after January 1, 2019, with early adoption permitted.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right of use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The new standard is effective for the Organization for fiscal years beginning after January 1, 2020, with early adoption permitted.

(q) Subsequent events

The Organization has evaluated events through August 23, 2019, the date the financial statements were available to be issued.

(2) Accounts Receivable

Accounts receivable consist of the following at December 31:

	2018	2017
Accounts receivable	$ 97,745	$ 54,989
Less: allowance for doubtful accounts	(5,498)	(7,500)
	$ 92,247	$ 47,489

The allowance is based on experience and other circumstances that may affect the ability of clients to meet their obligations. The Organization charges off uncollectible accounts receivable when management deems the receivable will not be collected. Bad debt expense was $23,693 and $399 for 2018 and 2017, respectively.

(3) Grants Receivable

Grants receivable consist of the following at December 31:

	2018	2017
Grants receivable	$ 132,747	$ 199,485
Less: allowance for doubtful accounts	(6,637)	-
	$ 126,110	$ 199,485

The allowance is based on experience and other circumstances that may affect the ability of funders to meet their obligations. The Organization charges off uncollectible grants receivable when management deems the receivable will not be collected.

(4) Pledges Receivable

Pledges receivable includes both unrestricted pledges and capital campaign pledges. Pledges receivable consist of the following as of December 31:

	2018	2017
Capital campaign	$ 253,198	$ 227,992
Less allowance for doubtful accounts	(15,120)	(10,000)
Pledges receivable, net of allowance	$ 238,078	$ 217,992

Pledges receivable as of December 31, 2018 are expected to be collected as follows:

Receivable in less than one year	$ 179,002
Receivable in one to five years	74,196
	253,198
Less allowance for uncollectible pledges	(15,120)
Pledges receivable, net allowance	$ 238,078

(5) Inventory

Inventory consists of the following at December 31:

	2018	2017
Household goods	$ 69,158	$ 55,094
Building materials	67,951	80,935
Appliances	1,665	2,790
Computers, electronics	4,150	4,530
Solar systems	18,308	18,308
Total inventory	$ 161,232	$ 161,657

(6) Leases

The Organization has various operating leases for building space. Below are the significant operating leases in place during 2018 and 2017.

339 Pine Street Burlington: the Organization uses space at 339 Pine Street provided for free of charge by the City of Burlington for the Organization's reuse operations, South End Joinery woodworking training facility, and YouthBuild construction training programs. The Organization utilizes approximately 10,740 square feet of space, consisting of garage bays and a fenced in yard. The Organization signed a three-year lease renewal in January 2014 which expired in 2017 and renewed for another three-year agreement, through 2020 with the same terms. In 2018 and 2017, ReSOURCE recorded an in-kind donation and related facility expense of $25,000 to approximate the fair value of the donated facility.

266 Pine Street Burlington: In 2014, the Organization executed a three-year extension of its lease agreement with a company owned by a member of the Organization's board of directors through December 2018. Rent expense for this location for the years ended December 31, 2018 and 2017 was $22,740 and $136,440, respectively. In early 2018, the Organization vacated this property and moved to 329 Harvest Lane.

329 Harvest Lane: In 2018 the Organization entered into a 3 year lease agreement for this facility. The lease provides the Organization an option to purchase the property for $6,160,000 after the initial lease period. The option must be exercised between January 1, 2020 and June 30, 2021. Rent expense for 2018 totaled $285,885.

Williston Warehouse: The Organization signed a three-year lease for 6,000 square feet of warehouse space on Dorset Lane in Williston in June 2017. The Organization had previously used this warehouse for appliance repair and metal recycling but in June 2018 began using it for household goods and building material overflow storage. Rent expense in 2017 for the final seven months of the year was $19,600. The Organization gave three month notice showing intent to vacate the property and end the lease in December 2017. The Organization has negotiated to continue renting a portion of the warehouse on a month-to-month basis of $600.

Leases (continued)

Green Mountain Drive Appliance Shop: In 2015, the Organization moved its appliance repair operation to South Burlington and singed a three-year lease. Rent expense for the South Burlington appliance repair facility was approximately $3,200 and $16,800 in 2018 and 2017, respectively. The Organization gave six month notice in December 2017 to terminate the lease at the end of May 2018.

Hyde Park: In December 2015, the Organization signed a 3 year lease for a facility near Hyde Park, Vermont, which expires in 2018. The Organization renewed the lease during 2018, which expires in 2021. Rent expense for this lease for the years ended December 31, 2018 and 2017 were $58,029 and $42,372, respectively.

Future minimum lease payments are as follows for the years ending December 31:

2019	$ 498,097
2020	383,481
2021	393,068
2022	402,895
2023	412,967
Thereafter	601,473

(7) Long-Term Debt

Long-term debt consists of the following at December 31:

	2018	2017
Mortgage loan at 0% interest, collateralized by real estate, principle deferred until property sold. See further informaton below.	$ 294,820	$ 294,820
Facility loan at 3.75% interest rate, monthly payments of $3,220, due October 2031, collateralized by inventory, equipment, and Barre property. See further information below.	392,761	416,517
Land loan, at 0% interest rate, located in Barre, VT. Payable in nine (9) annual installemnts of $5,000, uncollateralized.	35,000	40,000
Fit-up loan at 8% interest rate, monthly payments of $526, due May 2025, uncollateralized.	31,575	-
Vehicle loan at 2.5% interest rate, monthly payments of $394, due November 2023, collateralized by truck.	20,381	-

Long-Term Debt (continued)

Program investment loan at 1% interest rate, monthly payments of $865, due December 2021, uncollateralized.	30,000	40,000
Vehicle loan at 2.835% interest rate, monthly payments $932, due July 2021, collateralized by a van.	27,834	37,229
Facility loan at 6% interest rate, payable in one lump sum due April 2019, collateralized by facilities.	64,810	-
Vehicle loan at 3.5% interest rate, monthly payments $765, due March 2019, collateralized by vechicle.	2,282	11,194
Vehicle loan at 2.5% interest rate, monthly payments of $517, due April 2018, collateralized by van.	-	2,049
Vehicle loan at 1.9% interest rate, monthly payments $1,343, due April 2018, collateralized by truck.	-	3,996
Total long-term debt oustanding	899,463	845,805
Less: current portion	(124,696)	(61,948)
Long-term debt, net of current portion	$ 774,767	$ 783,857

Future maturities of long-term debt are as follows for the years ending December 31:

2020	59,259
2021	55,596
2022	41,572
2023	42,873
Thereafter	575,467
	$ 774,767

In 2009, the Organization purchased a building in Barre, funded through the Vermont Community Development Program (VCDP) using federal Community Development Block Grant (CDBG) funds. The VCDP loan, totaling $294,820, bears interest at 0% and was passed through from the City of Barre. Loan repayment is deferred until the sale of the property. The balance of the loan at December 31, 2018 and 2017 was $294,820.

Long-Term Debt (continued)

In October 2011, the Organization refinanced a construction loan for $343,020 through a United States Department of Agriculture (USDA) Rural Development Facility Loan at a rate of 3.75% with monthly payments of $3,220 having a maturity date of 2031. The loan is collateralized by inventory, equipment and the Barre property. The amounts outstanding on the loan as of December 31, 2018 and 2017 were $392,761 and $416,517, respectively.

(8) Line of Credit

On October 21, 2016, the Organization signed an agreement with Community National Bank for a $225,000 line of credit which matured on November 1, 2018. The agreement bears interest at a variable rate of the Wall Street Journal Prime plus 2%, with a floor of 5.25%. The interest rate on December 31, 2017 was 6.50%. As of December 31, 2017, the amount outstanding was $205,000. During 2018, the Organization repaid the line of credit. The Organization has no line of credit available at December 31, 2018.

(9) Commitments and Contingencies

The Organization participates in federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representative. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

(10) Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of December 31, 2018 and 2017:

	2018	2017
Cash	$ 162,770	$ 136,526
Accounts receivable	92,247	47,489
Grants receivable	126,110	199,485
	$ 381,127	$ 383,500

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has several source of liquidity at its disposal, including cash, accounts receivable and grants receivable.

Liquidity and Availability (continued)

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Organization strives to maintain liquid cash reserves sufficient to cover 45 days of general expenditures. General expenditures include administrative, fundraising and operating expenses.

(11) Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows as of December 31:

	2018	2017
Support for various programs in next year	$ 22,773	$ -
Capital campaign	397,924	296,110
	$ 420,697	$ 296,110

(12) Retirement Plan

The Organization sponsors a 403(b) noncontributory, defined-contribution pension plan for all employees, and the board of directors has discretion over employer contributions to the plan. The Organization did not make any contributions to the plan in 2018 and 2017.