



# LINEAGE PROJECT

**LINEAGE PROJECT, INC.**  
**Financial Statements**  
**December 31, 2019 and 2018**  
**With Independent Auditor's Report**

**Lineage Project, Inc.**  
**Table of Contents**  
**December 31, 2019 and 2018**

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<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-14

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Lineage Project, Inc.;

We have audited the accompanying financial statements of Lineage Project, Inc. ("Lineage" or the "Organization") which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

### 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 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 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 Organization'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 Organization'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 Lineage Project, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, the Organization adopted new accounting guidance in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) and FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

*Withum Smith + Brown, PC*

November 6, 2020

**Lineage Project, Inc.**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current assets		
Cash	\$ 586,196	\$ 427,180
Accounts receivable, net	24,895	38,415
Pledges receivable	345,253	75,000
Prepaid expenses and other current assets	<u>6,895</u>	<u>5,310</u>
Total current assets	<u>963,239</u>	<u>545,905</u>
Other assets		
Long-term pledges, net	<u>283,352</u>	<u>-</u>
Total other assets	<u>283,352</u>	<u>-</u>
 Total assets	 <u>\$ 1,246,591</u>	 <u>\$ 545,905</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 47,187	\$ 70,047
Deferred revenue	<u>-</u>	<u>4,250</u>
Total liabilities	<u>47,187</u>	<u>74,297</u>
Net assets		
Without donor restrictions	447,060	125,936
With donor restrictions	<u>752,344</u>	<u>345,672</u>
Total net assets	<u>1,199,404</u>	<u>471,608</u>
 Total liabilities and net assets	 <u>\$ 1,246,591</u>	 <u>\$ 545,905</u>

The Notes to Financial Statements are an integral part of these statements.

**Lineage Project, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2019 and 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>						
Contributions	\$ 259,271	\$ 1,053,352	\$ 1,312,623	\$ 285,251	\$ 380,000	\$ 665,251
Government grants	-	-	-	129,071	-	129,071
In-kind contributions	38,175	-	38,175	36,877	-	36,877
Program service income	98,670	-	98,670	99,648	-	99,648
	<u>396,116</u>	<u>1,053,352</u>	<u>1,449,468</u>	<u>550,847</u>	<u>380,000</u>	<u>930,847</u>
Net assets released from restriction	<u>646,680</u>	<u>(646,680)</u>	<u>-</u>	<u>227,988</u>	<u>(227,988)</u>	<u>-</u>
	1,042,796	406,672	1,449,468	778,835	152,012	930,847
<b>Expenses</b>						
Program services	421,057	-	421,057	489,629	-	489,629
Supporting services						
Management and general	211,152	-	211,152	232,305	-	232,305
Fundraising	89,463	-	89,463	60,664	-	60,664
	<u>300,615</u>	<u>-</u>	<u>300,615</u>	<u>292,969</u>	<u>-</u>	<u>292,969</u>
	<u>721,672</u>	<u>-</u>	<u>721,672</u>	<u>782,598</u>	<u>-</u>	<u>782,598</u>
<b>Change in net assets</b>	321,124	406,672	727,796	(3,763)	152,012	148,249
<b>Net assets</b>						
Beginning of year	<u>125,936</u>	<u>345,672</u>	<u>471,608</u>	<u>129,699</u>	<u>193,660</u>	<u>323,359</u>
End of year	<u>\$ 447,060</u>	<u>\$ 752,344</u>	<u>\$ 1,199,404</u>	<u>\$ 125,936</u>	<u>\$ 345,672</u>	<u>\$ 471,608</u>

The Notes to Financial Statements are an integral part of these statements.

**Lineage Project, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2019**

	<b>Program Services</b>	<b>Supporting Services</b>			<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	
Salaries and benefits	\$ 269,376	\$ 78,537	\$ 14,157	\$ 92,694	\$ 362,070
Payroll taxes and employee benefits	45,006	10,026	2,719	12,745	57,751
Professional and consulting fees	39,393	101,939	64,058	165,997	205,390
Meals, travel and entertainment	4,286	1,904	123	2,027	6,313
Office supplies and other expenses	13,386	6,574	605	7,179	20,565
Insurance	2,700	787	142	929	3,629
Occupancy and utilities	25,806	9,054	1,726	10,780	36,586
Dues and subscriptions	4,848	1,413	255	1,668	6,516
Professional development	3,191	918	166	1,084	4,275
Development expenses	-	-	5,512	5,512	5,512
Subcontractors	8,000	-	-	-	8,000
Bad debt	2,660	-	-	-	2,660
Scholarships	2,405	-	-	-	2,405
	<u>\$ 421,057</u>	<u>\$ 211,152</u>	<u>\$ 89,463</u>	<u>\$ 300,615</u>	<u>\$ 721,672</u>

The Notes to Financial Statements are an integral part of this statement.

**Lineage Project, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2018**

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total	
Salaries and benefits	\$ 302,947	\$ 69,857	\$ 11,894	\$ 81,751	\$ 384,698
Payroll taxes and employee benefits	44,354	21,177	2,596	23,773	68,127
Professional and consulting fees	49,451	116,416	39,084	155,500	204,951
Meals, travel and entertainment	245	2,056	-	2,056	2,301
Office supplies and other expenses	9,047	8,658	1,016	9,674	18,721
Insurance	2,332	1,109	109	1,218	3,550
Occupancy and utilities	23,939	8,824	1,482	10,306	34,245
Dues and subscriptions	4,010	925	157	1,082	5,092
Bank charges	1,417	641	-	641	2,058
Professional development	3,850	-	-	-	3,850
Development expenses	-	19	4,320	4,339	4,339
Advertising	5	55	-	55	60
Subcontractors	35,580	-	-	-	35,580
Bad debt	8,050	2,500	-	2,500	10,550
Food	444	61	6	67	511
Training	1,510	-	-	-	1,510
Scholarships	2,050	-	-	-	2,050
Transportation	398	7	-	7	405
	<u>\$ 489,629</u>	<u>\$ 232,305</u>	<u>\$ 60,664</u>	<u>\$ 292,969</u>	<u>\$ 782,598</u>

The Notes to Financial Statements are an integral part of this statement.



**Lineage Project, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Operating activities</b>		
Change in net assets	\$ 727,796	\$ 148,249
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	2,660	10,550
Present value adjustment	16,648	-
Changes in		
Accounts receivable	10,860	108,704
Pledges receivable	(270,253)	(75,000)
Prepaid expenses and other current assets	(1,585)	221
Long-term pledges	<u>(300,000)</u>	<u>-</u>
Accounts payable and accrued expenses	(22,860)	14,868
Deferred revenue	<u>(4,250)</u>	<u>4,250</u>
Net cash provided by operating activities	<u>159,016</u>	<u>211,842</u>
 Net change in cash	 159,016	 211,842
 <b>Cash</b>		
Beginning of the year	<u>427,180</u>	<u>215,338</u>
End of year	<u>\$ 586,196</u>	<u>\$ 427,180</u>

There were no amounts paid for interest or taxes for the years ended December 31, 2019 or 2018.

The Notes to Financial Statements are an integral part of these statements.

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Lineage Project, Inc. (“Lineage” or the “Organization”) teaches trauma-sensitive mindfulness to support the holistic well-being of young people, ages 11–24, navigating serious challenges and the adults who work with them. Lineage works within the justice, education, shelter, mental health, and foster care systems, and with community organizations. Lineage classes are built around a 3-part program model that weaves together facilitated discussion, movement practices (e.g., yoga/Tai Chi), and guided meditation. Our students build community while learning concrete stress management, trauma mitigation, and resilience-building skills. Lineage’s mindfulness-based professional development supports staff in working more effectively and empathetically with young people, and reduces the secondary trauma and burnout that can lead to staff turnover.

Through our simultaneous work with young people and staff, we foster cultures of interconnection and resilience within NYC systems.

Lineage classes weave together community-building discussion, movement practices (e.g., yoga/Tai Chi), and guided meditation. Classes are organized around themes (e.g., determination, compassion), with the Lineage teacher offering a guiding question (e.g., “What was a time when you or someone you know was compassionate?”). Teachers model answering and then facilitate a group conversation, with each student invited (but not required) to respond. The group then partakes in movement practices (yoga, gentle stretching, Tai Chi, or Qi Gong). Classes end with a brief guided meditation. The teacher guides students through individual and collective processing of all three parts of the class, focusing on awareness of thoughts, feelings, and physical sensations. Students are invited to share their observations about the practices and their responses to them.

Our classes are tailored to the needs and abilities of the students in the room, and to what is present for our students in any particular site and moment. Students gain tools that help them regulate their nervous systems, strengthen their self-awareness and decision-making, and build community bonds. Practical and portable, these are wellness tools for everyday life. They do not require a lot of time or space, specialized props, or prior experience to perform.

Lineage Project, Inc. was incorporated in the State of New York in 2003. Significant sources of revenue are received from contributions and government grants.

This summary of significant accounting policies of Lineage Project, Inc. is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America as promulgated in *FASB Accounting Standards Codification* and have been consistently applied in the preparation of the financial statements.

**Basis of Presentation**

The financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets without donor restrictions are net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Organization.

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets from donor restrictions are released when donor stipulation occurs.

**Effect of Accounting Pronouncements Adopted in the Current Year**

*Revenue Recognition*

The Financial Accounting Standards Board (“FASB”) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (“ASC”). ASC 606 supersedes the prior revenue recognition requirements (codified as ASC 605, *Revenue Recognition*). ASC 606 established a core principle that an entity should recognize revenue to depict the transfer of promised 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 new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs – Contracts with Customers*, which requires the deferral of incremental costs of obtaining a contract with a customer. All references to the “new guidance” include ASC 606 and/or ASC 340-40.

The Organization adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition. The Agency applied the new guidance using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in no changes to the Organization’s accounting policies for revenue recognition, grants and contracts receivable, and contract liabilities as detailed above.

*Revenue Recognition – Contributions*

In June 2018, the Financial Accounting Standards Board (“FASB”) issued (“ASU”) 2018-08, *Not-for-Profit Entities* (Topic 958). The amendments in this update provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional. The Organization adopted this ASU on January 1, 2019. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

**New Accounting Pronouncements Issued Not Yet Effective**

*Leases*

In February 2016, the FASB issued ASU 2016-02 *Leases* (Topic 842), which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on the statements of financial position for all of the Organization’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that this pronouncement will have on its financial statements and related disclosures.

**Use of Estimates**

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

**Cash**

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount. Management believes it mitigates its risk by investing in major financial institutions and in funds that are currently U.S. Federal government insured.

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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**Revenue Recognition**

*Contributions and Pledge Receivables*

Contributions are recognized when the donor makes a pledge to the Organization that is in substance, unconditional. Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated 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.

Pledge receivables are recorded at their estimated values after reduction for an allowance for doubtful accounts and net present value adjustment. The allowance for doubtful accounts is determined primarily through specific identification and evaluation of significant past due amounts based on historical experience as well as the current economic environment. The Organization reviews individual past due amounts periodically and writes off amounts for which all collection efforts are deemed to have been exhausted. The net present value adjustment is computed on pledge receivables with repayment due in over a year using a risk-free rate of return as of the date of the statements of financial position.

*Revenue from Contracts with Customers*

Income is recognized on an accrual basis when earned. Program service income is recognized when the program occurs. Professional training income is recognized when the training occurs, and monies received in advance of trainings are recorded as deferred revenue on the statements of financial position and recognized into revenue when the training occurs. Revenue from contracts with customers are treated as revenues without donor restrictions. The Organization does not have any significant financing components as payment is received at or shortly after the point the program and training is completed.

*Revenue from Grant Contracts*

The Organization accounted for government grant revenues as a conditional contribution in the statements of activities and recognizes revenues as the costs are incurred in accordance with the terms of the subcontractor agreement.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance or directly to bad debt expense. As of December 31, 2019 and 2018 there was no allowance for doubtful accounts.

**Donated Services**

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide various services that are not recognized as contributions in the financial statements since the recognition criteria were not met. Donated services amounted to \$38,175 and \$36,877 for the years ended December 31, 2019 and 2018, respectively.

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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**Income Taxes**

The Organization is a New York not-for-profit organization exempt from Federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code and from New York State income taxes under

applicable state law. Accordingly, no provision for Federal or state income taxes has been recorded in the statements of activities. The Organization's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2019 and 2018 there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

In addition, there have been no tax related interest or penalties in these financial statements. Should any such penalties and interest be incurred, the Organization's policy would be to recognize them as management and general expenses.

**Functional Allocation of Expenses**

The costs of providing program and other activities has been summarized on a functional basis in the statements of activities and have been detailed on the statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense Category</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Fringe benefits	Salaries
Insurance	Salaries
Payroll service fees	Salaries
Professional costs	Time and effort
Facility expenses	Salaries
Supplies, dues/subscriptions	Salaries

**2. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of December 31, 2019 and 2018, financial assets and liquidity resources available within one year for general expenditures were as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 586,196	\$ 427,180
Accounts receivable, net	24,895	38,415
Pledges receivable (current portion)	345,253	-
Less: Amounts restricted for time or purpose restrictions	<u>(468,992)</u>	<u>(270,672)</u>
Total financial assets and liquidity resources	<u>\$ 487,352</u>	<u>\$ 194,923</u>

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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The financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. Generally, annual operating revenue covers expenses. The Organization has the financial assets listed above that will cover any additional cash flow needs not covered by operating revenue.

**3. RISK AND UNCERTAINTIES**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Organization maintains its cash and cash equivalents in bank deposit accounts, the balance of which, at times, may exceed federally insured limits. The Organization limits its exposure by performing periodic evaluations of the financial institution where it maintains its cash. Concentration of credit risk with respect to accounts receivable is limited due to the fact that the receivables are mainly derived from governmental agencies and have short periods and history of collection.

**4. PLEDGES RECEIVABLE**

Pledges receivable at December 31, were as follows:

	<u>2019</u>	<u>2018</u>
Total pledge receivable	\$ 645,253	\$ 75,000
Less: Discount to net present value	16,648	-
Net pledges receivable	<u>628,605</u>	<u>75,000</u>
Current portion	<u>345,253</u>	<u>75,000</u>
Pledges receivable, long-term	<u>\$ 283,352</u>	<u>\$ -</u>

Maturities of pledges receivable are as follows: 2020 - \$345,253; 2021 - \$300,000.

**5. COMMITMENTS**

The Organization leases office space in New York on an annual basis. As of July 1, 2017, the Organization began a month to month lease for \$1,489 per month. Rent expense amounted to approximately \$35,731 and \$34,245 for the years ended December 31, 2019 and 2018, respectively.

**6. CONCENTRATIONS**

The Organization had two donors that accounted for 89% of outstanding receivables and pledges as of December 31, 2019. The Organization had one donors that accounted for 66% of outstanding receivables as of December 31, 2018.

For the year ended December 31, 2019, the Organization had no government grant income. In addition, the Organization had two donors that accounted for 57% of contribution revenue as of December 31, 2019.

For the year ended December 31, 2018, 14% of the Organization's government grant income is from funding from the NYC Department of Youth and Community Development. In addition, the Organization had two donors that accounted for 27% of contribution revenue as of December 31, 2018.

**7. RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2019 and 2018, contributions from the Board of Directors amounted to \$61,220 and \$72,650, respectively.

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

**8. EMPLOYEE BENEFIT PLAN**

The Organization has a defined contribution salary deferral 401(k) plan which commenced January 1, 2016, covering substantially all employees. Under the plan, the Organization matches dollar for dollar up to 4% of each eligible employee's salary. For the years ended December 31, 2019 and 2018, the Organization contributed \$7,340 and \$6,880, respectively to the plan.

**9. NET ASSETS**

Components of net assets are as follows:

<u>Detail of Net Assets</u>	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
General operations	\$ 447,060	\$ -	\$ 447,060
Time restricted for future periods	-	648,712	648,712
Time and purpose restricted	-	3,632	3,632
Purpose restricted	-	100,000	100,000
	<u>\$ 447,060</u>	<u>\$ 752,344</u>	<u>\$ 1,199,404</u>

  

<u>Detail of Net Assets</u>	<u>2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
General operations	\$ 125,936	\$ -	\$ 125,936
Time restricted for future periods	-	89,792	89,792
Time and purpose restricted	-	254,270	254,270
Purpose restricted	-	1,610	1,610
	<u>\$ 125,936</u>	<u>\$ 345,672</u>	<u>\$ 471,608</u>

Net assets were released from donor restrictions by incurring expenses satisfying the time or purpose restrictions specified by the donor as follows:

<u>Detail of Net Assets</u>	<u>2019</u>	<u>2018</u>
Time restricted for future periods	\$ 395,742	\$ 105,208
Time and purpose restricted	300	2,050
Purpose restricted	<u>250,638</u>	<u>120,730</u>
	<u>\$ 646,680</u>	<u>\$ 227,988</u>

**Lineage Project, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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**10. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of November 6, 2020, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that there are no subsequent events that have occurred, that require disclosure in or adjustment to the financial statements, except the following:

**Risks Related to Contagious Diseases**

The current outbreak of a novel strain of Coronavirus (COVID-19) is significantly impacting businesses across the world. While the duration of business interruption from this outbreak and related financial impact cannot be reasonably estimated at this time, financial results may be adversely affected throughout 2020. The extent to which the Coronavirus impacts operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the Coronavirus and actions taken to contain the virus or its impact, among others.

During May 2020, the Organization received a loan from a financial institution through the Paycheck Protection Program authorized by the Coronavirus Aid, Relief and Economic Security Act ("CARES") in the amount of \$77,963. The loan may be forgiven in whole or in part upon a review by the financial institution of the Organization's use of the loan proceeds in accordance with the CARES Act. If the financial institution determines that the criteria for debt forgiveness has not been met, the loan matures 2 years from the date of the loan and interest accrues at 1% per year. Any such debt forgiveness would be recognized at the time that the financial institution completed the aforementioned review and approved the forgiveness of the loan.