

**Journey Through Hallowed Ground Partnership  
Executive Summary of Financials, February 28, 2021**

The Organization is in a good cash position and anticipates a strong fiscal year, withstanding the pandemic circumstances. We have recently made the decision to cancel the 2021 Residential Academy, given the risks posed by potential COVID infections, visitation restrictions at sites, and increased expenses to accommodate spacing requirements for social distancing. The cancellation of the residential summer session means that we will have fewer expenses and the ability to absorb the impact of not receiving fundraising dollars directly tied to the Residential Academy.

In the current year, Jacqueline Mars has pledged \$250k for the Online Academy, which is an increase of \$150k over last year's donation for that purposes. In addition, we received notice in February that our task agreement funding for the National Heritage Area has been increased to \$400k by the National Park Service. This represents an increase of \$68k over last year's funding of \$337k.

These revenue line item increases, along with the \$110,750 Second Draft PPP Loan received in January, give us confidence that we will end the fiscal year at a breakeven position or better. We project we will maintain the \$890k cash reserve balance that we had at the end of FY2020, which reflects a much improved cash outlook over the past few years.

**Balance Sheet as of February 28, 2021:**

- Cash and cash equivalents balance: Our cash position is very good. At February 28, our \$690,865 cash balance was held across three accounts: AU Operating checking, AU Savings for restricted funds; and MS savings. Our Cash Breakdown is as follows:

○ Unrestricted Cash Balance	
▪ SBA PPP Loan reserve, 1 <sup>st</sup> draft	\$105,400
▪ SBA PPP Loan reserve, 2 <sup>nd</sup> draft	110,750
▪ Reserve from property sale	382,795
▪ Internal borrowing from property reserve	<u>(102,050)</u>
	\$496,735
○ Cash Restricted by Donors	<u>\$193,970</u>
	\$690,865

- The SBA PPP Loan reserves were funded by Jacquie Mars' donations in the prior year. Her donations have been held in reserve in order to fund current year and next year operations which have been uncertain in nature and amount of expenses. We do not anticipate having to use those reserves, which are identified based on the loan amounts, until after we have received forgiveness for those loans. The PPP Loan proceeds were used to fund payroll during the covered periods.

Atlantic Union Bank has not yet opened the portal for loan forgiveness, but we anticipate this will happen in late March. We will apply for forgiveness for the first draft (\$105,400) at that time. We will apply for forgiveness following the end of our second draft period which ends in April (\$110,750).

Neither SBA PPP Loan has been forgiven, so they have not yet been included in income (both loans are reflected as a \$216,150 aggregate liability on the balance sheet.) We anticipate that both loans will be forgiven in the current fiscal year, and this income will be recognized when that happens.

- Temporary borrowing from our internal reserve was necessary for several reasons:
  - NPS funds have been delayed. No Continuing Resolution was passed, so we are waiting much longer for funds in FY2021. (In PY we received the first draw of NPS funds in January 2020.)
  - At this point last year, we had received \$100,000 from Jacqueline Mars. That donation was one of two totaling \$600k. This year, we are expecting one donation of \$250k by end of April.
  
- By the end of April, we anticipate drawing \$233k under the NPS task agreement, and we also anticipate the \$250k receipt on Mrs. Mars' pledge.
  
- Current and long-term accounts receivable: (\$1,327,137 net of discounts). This balance consists of Current receivable: \$166,667 from NPS; \$250,000 from J.Mars; LT: J.Mars' five-year pledge (NPV \$910k)
- Prepaids & other receivables: (\$9173) This balance represents prepayments of health insurance, other nonemployee insurance, and DonorPerfect and Geotagging subscriptions
- Fixed Assets and Intangibles (\$78k): This represents the Net Book Value of computers and furniture (stored), as well as the three websites and JTHG trademarks.
- Deposit: \$600 for a virtual tour site
- Liabilities (\$39k): This balance includes accrued invoices of \$21k (Think 33 and Brent Glass LLC); Credit Card \$7k and \$10k payroll taxes
- Net Assets: (\$1,851,144): Of this balance, currently \$1,089,963 is restricted (J.Mars LT pledge NPV & Restricted Program net assets).

**Income Statement for October 2020 – February 2021:**

- \$73k of net income is shown on the February P&L. This reflects the pledge income of \$250k from J. Mars and the pro-rated earned revenue of \$166,667 from NPS, net against our first 5 months of expenses.
- We anticipate achieving a breakeven or better net income at the end of the fiscal year. The cash flow projection included in the attached financial statements includes only the secured income to date and projects a net cash loss of \$77k. However, we anticipate exceeding this conservative income figure of \$780k enough to keep our cash balance at a steady or better position in prior year.