

**CELTIC FEST, INC.  
d/b/a CELTIC CULTURAL ALLIANCE  
(A Not-for-Profit Corporation)**

**Financial Statements and  
Independent Auditor's Report**

**December 31, 2019 and 2018**







**CELTIC FEST, INC.  
d/b/a CELTIC CULTURAL ALLIANCE  
(A Not-for-Profit Corporation)  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
Celtic Fest, Inc.  
d/b/a Celtic Cultural Alliance  
Bethlehem, PA

We have audited the accompanying financial statements of Celtic Fest, Inc. d/b/a Celtic Cultural Alliance (A Not-for-Profit Corporation) 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

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 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 Celtic Fest, Inc. d/b/a Celtic Cultural Alliance 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.

*Congbell, Rappold & Yamasita LLP*

July 9, 2020



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**CELTIC FEST, INC.**  
**d/b/a CELTIC CULTURAL ALLIANCE**  
**(A Not-for-Profit Corporation)**  
**STATEMENTS OF FINANCIAL POSITION**

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	December 31,	
	2019	2018
<b><u>ASSETS:</u></b>		
Cash and Cash Equivalents	\$ 278,379	\$ 412,480
Accounts and Grants Receivable	10,111	50
Promises to Give, Net (Note 2)	7,603	20,000
Prepaid Expenses	17,901	7,205
Inventory	10,050	10,932
Deposits	5,000	800
Property and Equipment, Net (Note 3)	-	84
<b>TOTAL ASSETS</b>	<b>\$ 329,044</b>	<b>\$ 451,551</b>
<b><u>LIABILITIES AND NET ASSETS:</u></b>		
Accounts Payable	\$ 2,638	\$ 19,705
Accrued Expenses	3,801	5,112
Deposits Payable	18,200	18,350
Line of Credit (Note 6)	-	-
<b>TOTAL LIABILITIES</b>	<b>24,639</b>	<b>43,167</b>
<b><u>Net Assets:</u></b>		
WITHOUT DONOR RESTRICTIONS	296,802	388,384
WITH DONOR RESTRICTIONS (Note 8)	7,603	20,000
<b>TOTAL NET ASSETS</b>	<b>304,405</b>	<b>408,384</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 329,044</b>	<b>\$ 451,551</b>

See independent Auditor's report and notes to financial statements.

**CELTIC FEST, INC.**  
**d/b/a CELTIC CULTURAL ALLIANCE**  
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**STATEMENTS OF ACTIVITIES**

	Year Ended December 31,	
	2019	2018
<b><u>Changes in Net Assets Without Donor Restrictions:</u></b>		
<i><u>Revenues, Gains and Other Support:</u></i>		
Revenues from Operations	\$ 676,997	\$ 777,313
Cost of Goods Sold	(81,209)	(95,515)
Gross Profit from Operations	595,788	681,798
Public Support:		
Contributions	99,631	123,104
Local and Foundation Grants	21,000	90,000
Donated Materials and Services (Note 1)	157,200	163,850
Total Public Support	277,831	376,954
Fundraising Events	16,229	-
Direct Benefit Costs to Donors	(11,861)	-
Total Fundraising Events	4,368	-
Contest Entry Fees	3,408	3,672
Membership Dues	24,976	25,099
Interest Income	69	496
Miscellaneous	1,731	2,950
Net Assets Released from Restrictions (Note 8)	22,000	-
Total Other Income	52,184	32,217
Total Revenues, Gains and Other Support Without Donor Restrictions	930,171	1,090,969
<i><u>Expenses and Losses:</u></i>		
Cultural Events	873,525	919,173
Management and General	126,515	126,649
Fund Raising	21,713	25,129
Total Expenses	1,021,753	1,070,951
INCREASE(DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(91,582)	20,018
<b><u>Changes in Net Assets With Donor Restrictions:</u></b>		
Contributions	9,603	20,000
Net Assets Released from Restrictions (Note 8)	(22,000)	-
INCREASE/(DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(12,397)	20,000
INCREASE (DECREASE) IN NET ASSETS	(103,979)	40,018
Net Assets at Beginning of Period	408,384	368,366
Net Assets at End of Period	\$ 304,405	\$ 408,384

See independent Auditor's report and notes to financial statements.

**CELTIC FEST, INC.**  
**d/b/a CELTIC CULTURAL ALLIANCE**  
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**STATEMENTS OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2019			
	Program Services	Supporting Services		
	Cultural Events	Management and General	Fund Raising	Total
Salaries, Wages and Contract Labor	\$ 48,470	\$ 38,055	\$ 19,842	\$ 106,367
Payroll Taxes	4,570	3,588	1,871	10,029
Accommodations	17,041	1,011	-	18,052
Advertising	74,493	-	-	74,493
Bad Debt	-	-	-	-
Competition Fees	7,570	-	-	7,570
Conferences and Meetings	380	863	-	1,243
Contracted Services	94,190	1,025	-	95,215
Contributions	1,650	-	-	1,650
Dues and Subscriptions	-	449	-	449
Equipment, Space Rental and Maintenance	105,014	852	-	105,866
Food Contracts	267,988	-	-	267,988
Insurance	27,650	-	-	27,650
Legal and Accounting Fees	1,000	10,300	-	11,300
Licenses	2,790	375	-	3,165
Miscellaneous	47	2,787	-	2,834
Office Rent	-	21,800	-	21,800
Moving Expenses	5	1,092	-	1,097
Parking	-	1,170	-	1,170
Performers	66,700	-	-	66,700
Postage and Shipping	4	762	-	766
Printing and Publications	5,666	233	-	5,899
Prizes	43,945	-	-	43,945
Service Charges	350	11,347	-	11,697
Sound and Lighting	38,100	-	-	38,100
Sponsor Reception	34,833	-	-	34,833
Supplies	17,695	1,692	-	19,387
Telephone	-	1,465	-	1,465
Travel	6,835	-	-	6,835
Utilities	1,046	5,585	-	6,631
Volunteers	4,564	143	-	4,707
Website and Computer	929	21,837	-	22,766
Depreciation	-	84	-	84
Total Expenses	<u>\$ 873,525</u>	<u>\$ 126,515</u>	<u>\$ 21,713</u>	<u>\$ 1,021,753</u>

See independent Auditor's report and notes to financial statements.

**CELTIC FEST, INC.**  
**d/b/a CELTIC CULTURAL ALLIANCE**  
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**STATEMENTS OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2018			
	Program Services	Supporting Services		
	Cultural Events	Management and General	Fund Raising	Total
Salaries, Wages and Contract Labor	\$ 54,499	\$ 55,195	\$ 23,102	\$ 132,796
Payroll Taxes	4,783	4,844	2,027	11,654
Accommodations	18,139	87	-	18,226
Advertising	77,287	-	-	77,287
Bad Debt	-	528	-	528
Competition Fees	7,701	-	-	7,701
Conferences and Meetings	1,516	471	-	1,987
Contracted Services	95,830	-	-	95,830
Contributions	750	-	-	750
Dues and Subscriptions	-	1,161	-	1,161
Equipment, Space Rental and Maintenance	109,325	852	-	110,177
Food Contracts	292,262	-	-	292,262
Insurance	25,532	-	-	25,532
Legal and Accounting Fees	558	9,525	-	10,083
Licenses	5,246	75	-	5,321
Miscellaneous	282	1,685	-	1,967
Office Rent	-	12,000	-	12,000
Moving Expenses	-	-	-	-
Parking	3	2,223	-	2,226
Performers	59,800	-	-	59,800
Postage and Shipping	132	582	-	714
Printing and Publications	179	578	-	757
Prizes	53,630	-	-	53,630
Service Charges	608	9,654	-	10,262
Sound and Lighting	70,100	-	-	70,100
Sponsor Reception	5,290	-	-	5,290
Supplies	18,612	2,329	-	20,941
Telephone	-	1,370	-	1,370
Travel	7,721	508	-	8,229
Utilities	1,109	2,513	-	3,622
Volunteers	5,663	431	-	6,094
Website and Computer	2,616	20,000	-	22,616
Depreciation	-	38	-	38
Total Expenses	<u>\$ 919,173</u>	<u>\$ 126,649</u>	<u>\$ 25,129</u>	<u>\$ 1,070,951</u>

See independent Auditor's report and notes to financial statements.

**CELTIC FEST, INC.**  
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**STATEMENTS OF CASH FLOWS**

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	Year Ended December 31,	
	2019	2018
<u>Cash Flows from Operating Activities:</u>		
CHANGE IN NET ASSETS	\$ (103,979)	\$ 40,018
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	84	38
(Increase) Decrease in Accounts and Grants Receivable		
and Promises to Give	2,336	(12,899)
(Increase) Decrease in Prepaid Expenses	(10,696)	2,354
(Increase) Decrease in Inventory	882	(2,020)
(Increase) in Deposits	(4,200)	-
Increase (Decrease) in Accounts Payable and		
Other Liabilities	(18,528)	15,543
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(134,101)	43,034
INCREASE (DECREASE) IN CASH AND		
CASH EQUIVALENTS	(134,101)	43,034
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF PERIOD	412,480	369,446
CASH AND CASH EQUIVALENTS AT		
END OF PERIOD	\$ 278,379	\$ 412,480

See independent Auditor's report and notes to financial statements.

**CELTIC FEST, INC.**  
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**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 and 2018**

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**1. Nature of Activities and Summary of Significant Accounting Policies**

*Organization and Nature of Activities*

Celtic Fest, Inc. (the "Organization") is a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of preserving and promoting the Celtic (Irish, Scottish and Welsh) Heritage. The Organization holds the annual Celtic Classic festival which is one of the largest Highland Games and Festival in North America. Principal sources of revenue are beverage and souvenir sales and public contributions.

The Organization is incorporated in the Commonwealth of Pennsylvania as a non-profit corporation and is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

*Basis of Accounting*

The financial statements are presented on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

*Cash and Cash Equivalents*

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

*Accounts and Grants Receivable*

Accounts and grants receivable are reported at the amount management expects to collect from outstanding balances. The Organization believes that all of accounts and grants receivable will be fully collected within one year. Accordingly, no allowance for doubtful accounts is recorded. If amounts become uncollectable, they will be charged to expense in the period in which that determination is made.

*Promises to Give*

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the Organization's policy to charge off uncollectible promises to give when management determines the unconditional promises will not be collected. All unconditional promises to give are considered collectible as of December 31, 2019 and 2018.

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**1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Property and Equipment*

The Organization capitalizes all expenditures for property and equipment with a cost of \$500 or more and an estimated useful life greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which ranging from 3 to 5 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever circumstances indicate that the carrying value of an asset may not be recoverable from estimated future cash flows expected to result from its use and eventual disposition. Management has determined that no long-lived assets were impaired for the years ended December 31, 2019 and 2018.

*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.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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 and reported in the statements of activities as net assets released from restrictions.

*Inventory*

Inventory consists of merchandise sold at the annual festival and is stated at the lower of cost or market determined by the first-in, first-out method if purchased. Donated inventory is stated at estimated fair value at the date of donation.



**CELTIC FEST, INC.**  
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**December 31, 2019 and 2018**

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**1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Revenue Recognition*

The Organization's revenues are recognized as follows:

- **Revenues from Operations:** Food and beverage sales for the annual Celtic Classic are recognized at the time of sale to consumers.
- **Membership Revenue:** Membership dues, which are nonrefundable, are solely comprised of an exchange element based on the benefits received. Revenue is recognized as the exchange portion of the membership dues is earned, over the membership period. All dues for 2019 are fully recognized, no deferred revenue exists at the year-end.
- **Contributions:** Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

*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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Donated Materials and Services*

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Donated services of a specialized skill that would be purchased in the absence of this donation are recorded at estimated market rate for the corresponding hours spent.

No amounts have been reflected in the statements for general donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund-raising campaigns.

*Functional Allocation of Expense*

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are salary related and are allocated on the basis of estimates of time and effort.

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**December 31, 2019 and 2018**

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**1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Income Tax Status*

The Organization follows the accounting guidance as codified in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes – Uncertainty in Income Taxes*. FASB ASC 740 clarifies the accounting and uncertainties in income taxes recognized in the Organization's financial statements. The standard prescribes a recognition threshold of more likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties and disclosure.

The Organization had no material unrecognized tax benefits or accrued interest or penalties. The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) for 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed.

*Concentration of Credit Risk*

The Organization maintains cash accounts with one financial institution. The balances are insured for up to \$250,000 at the institution. At December 31, 2019 the Organization's uninsured cash balance totaled approximately, \$26,589.

*Adoption of New Accounting Standards*

The Financial Accounting Standards Board (FASB) issued two Accounting Standard Updates that affect the Organization's revenue recognition, as noted below.

On January 1, 2019, the Organization adopted Accounting Standards Update 2014-09 Revenue from Contracts with Customers (Topic 606) and all subsequent amendments to the ASU, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this Update is 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 the entity expects to be entitled in exchange for the good or services. This Update requires entities to make new judgements and estimates and provide expanded disclosures about revenue and is effective for fiscal years beginning after December 15, 2018.

On January 1, 2019, the Organization adopted Accounting Standards Update 2018-08 Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions. This Update is effective for fiscal years beginning after December 15, 2018.

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**1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Adoption of New Accounting Standards (Continued)*

The Organization has determined that the implementation of the accounting standards updates did not significantly impact the financial statements and therefore, there were no required prior period adjustments.

**2. Promises to Give**

Promises to Give are expected to be realized in the following periods:

	December 31,	
	2019	2018
In one year or less	\$ 2,000	\$ 20,000
Between one and five years	6,000	-
	8,000	20,000
Less: Unamortized Discount at 3.5%	397	-
	<u>\$ 7,603</u>	<u>\$ 20,000</u>

**3. Property and Equipment**

Property and Equipment consists of the following:

	December 31,	
	2019	2018
Equipment	\$ 19,419	\$ 19,419
Site Improvements	13,153	13,153
	32,572	32,572
Less: Accumulated Depreciation	(32,572)	(32,488)
	<u>\$ -</u>	<u>\$ 84</u>

Depreciation charged to expense was \$84 and \$38 for the years ended December 31, 2019 and 2018, respectively.

**4. Advertising Costs**

Advertising costs are expensed as incurred and were \$74,493 and \$77,287 for the years ended December 31, 2019 and 2018, respectively.

**CELTIC FEST, INC.**  
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**5. Leases**

In April 2019, the Organization entered a multi-year operating lease for office space in Bethlehem, Pennsylvania. The initial lease term is for five years through June 2024, with the option for a renewal for an additional five years. The lease calls for monthly payments of \$2,500 fixed for the first year, followed by annual increases equal to 3% of the prior year's monthly rent. Prior to April of 2019, the Organization leased office space under a month to month lease agreement for \$1,000 per month. Rent expense was \$21,800 and \$12,000 for each of the years ended December 31, 2019 and 2018, respectively.

The Organization also leases a postage machine under an operating lease. Expense recognized under this lease was \$852 for the years ended December 31, 2019 and 2018. Future minimum lease payments are as follows:

Year ended, December 31:	<u>Office</u>	<u>Equipment</u>
2020	\$ 30,450	\$ 888
2021	31,364	888
2022	32,304	888
2023	33,274	888
2024	34,272	888
Thereafter	<u>-</u>	<u>296</u>
Total Minimum Lease Payments	<u>\$ 161,664</u>	<u>\$ 4,736</u>

**6. Line of Credit**

	<u>December 31,</u> <u>2019</u>	<u>2018</u>
\$110,000 Revolving Bank Line of Credit.		
Secured by all Business Assets of the Organization.		
Interest Rate at Prime Rate.		
Due on Demand, Expires April 29, 2020.	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

The line of credit was not drawn upon during the years ended December 31, 2019 and 2018 and therefore no interest expense was incurred in either year.

The line of credit was renewed in 2020 with the same terms as noted above with an expiration date of April 29, 2021.

**CELTIC FEST, INC.**  
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**7. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 278,379	\$ 412,480
Accounts and Grants Receivable	10,111	50
Promises to Give	<u>7,603</u>	<u>20,000</u>
	<u>\$ 296,093</u>	<u>\$ 432,530</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage with unanticipated liquidity needs, the Organization has a line of credit in the amount of \$110,000, which it could draw upon.

**8. Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes:

	<u>December 31,</u> <u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Promises to give, restricted by donors for Celtic Classic 2019	<u>\$ -</u>	<u>\$ 20,000</u>
	-	20,000
Subject to the Passage of Time:		
Promises to Give	<u>7,603</u>	<u>-</u>
Total	<u>\$ 7,603</u>	<u>\$ 20,000</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>Year Ended December 31,</u> <u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
Celtic Classic 2019	<u>\$ 22,000</u>	<u>\$ -</u>
Total Restrictions Released	<u>\$ 22,000</u>	<u>\$ -</u>

**CELTIC FEST, INC.**  
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**9. Subsequent Events**

On May 9, 2020, the Organization was granted a loan of \$24,300, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The note matures on May 9, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on December 9, 2020. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred before February 15, 2020. The Organization intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

Due to the ongoing COVID-19 Pandemic, the Organization has decided not to hold their annual Celtic Classic Highland Games and Festival in September 2020. This will have a significant impact on the revenues and expenditures of the Organization for 2020 as the Festival is their largest annual event.

Subsequent to December 31, 2019, the Organization renewed their bank line of credit, as more fully described in Note 6.

Subsequent events have been evaluated through July 9, 2020, which is the date the financial statements were available to be issued.