



## **Financial Statements**

**December 31, 2018 and 2017**

**Together with**

**INDEPENDENT AUDITOR'S REPORT**

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# Susan K. Miller CPA, LLC

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Certified Public Accountant

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Atlanta Community ToolBank, Inc.

I have audited the accompanying financial statements of Atlanta Community ToolBank, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluation the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlanta Community ToolBank, Inc. as of December 31, 2018 and 2017 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.

*Susan K. Miller CPA, LLC*

Susan K. Miller CPA, LLC  
Norcross, GA  
November 18, 2019



**Statements of Financial Position  
For the Years Ended December 31,**

	2018	2017
<b>Assets</b>		
Cash	\$ 502,720	\$ 568,155
Pledges and grants receivable, net	22,181	58,635
Property, equipment, and furniture net of accumulated depreciation of \$ 155,766 and \$ 276,700 respectively	1,778,762	1,698,296
In-kind donated tools and supplies	126,563	100,215
Prepaid expenses	1,921	1,389
License agreement, net of accumulated amortization of \$184 and \$165, respectively	-	182
<b>Total assets</b>	<b>2,432,147</b>	<b>2,426,872</b>
<b>Liabilities:</b>		
Accounts Payable	11,421	176,271
Note payable, net of amortized loan costs	404,358	424,114
<b>Total liabilities</b>	<b>415,779</b>	<b>600,385</b>
<b>Net assets</b>		
Without donor restrictions	2,016,368	1,819,787
With donor restrictions	-	6,700
<b>Total net assets</b>	<b>2,016,368</b>	<b>1,826,487</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,432,147</b>	<b>\$ 2,426,872</b>

Statement of Activities  
For the Year Ended December 31,

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>			
Contributions and grants	\$ 510,483	\$ -	\$ 510,483
In-kind donations/goods & services	124,951	-	124,951
Rental income	20,675	-	20,675
Interest income	32	-	32
Special events	55,647	-	55,647
Sales of excess tools & supplies	26,831	-	26,831
Program service fees	72,123	-	72,123
<b>Total Revenues</b>	<b>810,742</b>	<b>-</b>	<b>810,742</b>
Net assets released from restrictions:			
Multipliers campaign	6,200	(6,200)	-
Tool training center equipment	500	(500)	-
<b>Total net assets released from restrictions</b>	<b>6,700</b>	<b>(6,700)</b>	<b>-</b>
<b>Total revenues</b>	<b>817,442</b>	<b>(6,700)</b>	<b>810,742</b>
<b>Expenses</b>			
Program Services	464,781	-	464,781
Fundraising - Capital Campaign	15,574	-	15,574
Fundraising - Other	70,623	-	70,623
Management and General	69,883	-	69,883
<b>Total expenses</b>	<b>620,861</b>	<b>-</b>	<b>620,861</b>
<b>Change in net assets</b>	<b>196,581</b>	<b>(6,700)</b>	<b>189,881</b>
<b>Net assets, beginning of year</b>	<b>1,819,787</b>	<b>6,700</b>	<b>1,826,487</b>
<b>Net assets, end of year</b>	<b>\$ 2,016,368</b>	<b>\$ -</b>	<b>\$ 2,016,368</b>



Statement of Activities  
For the Year Ended December 31,

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>			
Contributions and grants	\$ 249,245	\$ 320,031	\$ 569,276
In-kind donations/goods & services	110,580	-	110,580
Rental income	20,750	-	20,750
Interest income	32	-	32
Special events	87,660	-	87,660
Sales of excess tools & supplies	28,800	-	28,800
Program service fees	64,559	-	64,559
<b>Total Revenues</b>	<b>561,626</b>	<b>320,031</b>	<b>881,657</b>
Net assets released from restrictions:			
Capital campaign building improvements	112,760	(112,760)	-
Multi-Pliers campaign building improvements	302,845	(302,845)	-
Multi-Pliers campaign fundraising expenses	23,586	(23,586)	-
<b>Total net assets released from restrictions</b>	<b>439,191</b>	<b>(439,191)</b>	<b>-</b>
<b>Total revenues</b>	<b>1,000,817</b>	<b>(119,160)</b>	<b>881,657</b>
<b>Expenses</b>			
Program Services	430,913	-	430,913
Fundraising - Capital Campaign	23,586	-	23,586
Fundraising - Other	76,450	-	76,450
Management and General	55,987	-	55,987
<b>Total expenses</b>	<b>586,936</b>	<b>-</b>	<b>586,936</b>
<b>Change in net assets</b>	<b>413,881</b>	<b>(119,160)</b>	<b>294,721</b>
<b>Net assets, beginning of year</b>	<b>1,405,906</b>	<b>125,860</b>	<b>1,531,766</b>
<b>Net assets, end of year</b>	<b>\$ 1,819,787</b>	<b>\$ 6,700</b>	<b>\$ 1,826,487</b>



**Statement of Functional Expenses  
For the Year Ended December 31,**

**2018**

	Program		Fundraising				Total	Management & General	Total
	Tool	Training	Program	Capital	Campaign	Other			
Salaries	\$ 175,161	\$ 19,464	\$ 194,625	\$ -	\$ -	\$ 35,140	\$ 35,140	\$ 40,546	\$ 270,311
Payroll taxes and benefits	26,554	2,950	29,504	-	-	5,327	5,327	6,147	40,978
Advertising and promotion	706	706	1,412	-	-	255	255	294	1,961
Consultant fees	-	-	-	15,574	-	-	15,574	-	15,574
Depreciation and amortization	44,471	4,941	49,412	-	-	-	-	4,297	53,709
In-kind donations/services expenses	83,431	9,270	92,701	-	-	-	-	-	92,701
Insurance	17,034	1,893	18,927	-	-	-	-	1,646	20,573
Occupancy	29,515	3,279	32,794	-	-	-	-	2,852	35,646
Office expense	9,497	1,056	10,553	-	-	1,906	1,906	2,199	14,658
Professional fees	-	-	-	-	-	-	-	5,530	5,530
Repairs and maintenance	6,055	673	6,728	-	-	-	-	585	7,313
Special events	-	-	-	-	-	27,995	27,995	-	27,995
Tool lending program expenses	22,572	-	22,572	-	-	-	-	-	22,572
Tool Training Center	-	5,553	5,553	-	-	-	-	-	5,553
Bad debt expenses	-	-	-	-	-	-	-	5,787	5,787
<b>Total expenses</b>	<b>\$ 414,996</b>	<b>\$ 49,785</b>	<b>\$ 464,781</b>	<b>\$ 15,574</b>	<b>\$ -</b>	<b>\$ 70,623</b>	<b>\$ 86,197</b>	<b>\$ 69,883</b>	<b>\$ 620,861</b>

The accompanying notes are an integral part of this financial statement





**Statement of Functional Expenses  
For the Year Ended December 31,**

**2017**

	Program			Fundraising				Total Fundraising	Management & General	Total Expenses
	Tool Lending	Tool Training	Total Program	Capital Campaign	Other					
Salaries	\$ 190,028	\$ 21,114	\$ 211,142	\$ -	\$ 26,393	\$ 26,393	\$ 26,393	\$ 263,928		
Payroll taxes and benefits	26,539	2,949	29,488	-	3,686	3,686	3,686	36,860		
Advertising and promotion	2,965	329	3,294	-	412	412	412	4,118		
Consultant fees	-	-	-	23,586	-	-	23,586	23,586		
Depreciation and amortization	28,052	2,936	30,988	-	979	979	652	32,619		
In-kind donations/services expenses	28,914	3,213	32,127	-	-	-	-	32,127		
Insurance	18,378	1,923	20,301	-	641	641	427	21,369		
Occupancy	9,773	1,023	10,796	-	341	341	227	11,364		
Office expense	13,666	1,518	15,184	-	1,898	1,898	1,898	18,980		
Professional fees	-	-	-	-	-	-	6,361	6,361		
Repairs and maintenance	4,149	434	4,583	-	145	145	96	4,824		
Special events	-	-	-	-	41,955	41,955	-	41,955		
Tool lending program expenses	69,036	-	69,036	-	-	-	-	69,036		
Tool training center	-	3,974	3,974	-	-	-	-	3,974		
Bad debt expense	-	-	-	-	-	-	15,835	15,835		
Total expenses	\$ 391,500	\$ 39,413	\$ 430,913	\$ 23,586	\$ 76,450	\$ 100,036	\$ 55,987	\$ 586,936		

The accompanying notes are an integral part of this financial statement

**Statements of Cash Flows**  
**For the Years Ended December 31,**

	2018	2017
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 189,881	\$ 294,721
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	53,709	32,619
Interest expense from amortization of loan costs	2,201	1,587
Donations in kind received, net - (tools, supplies, furniture and equipment)	(26,348)	(43,594)
Increase (decrease) in allowance for doubtful accounts	(2,000)	9,500
(Increase) decrease in assets:		
Grants and pledges receivable	38,454	(36,190)
Other	(533)	3,631
Increase (decrease) in liabilities:		
Accounts payable	(164,850)	175,178
<b>Net cash provided by operating activities</b>	<b>90,514</b>	<b>437,452</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(133,993)	(577,226)
<b>Net cash used by investing activities</b>	<b>(133,993)</b>	<b>(577,226)</b>
<b>Cash flows from financing activities</b>		
Cash received from note payable	-	438,337
Principal payments on note payable	(21,956)	(15,810)
<b>Net cash provided by financing activities</b>	<b>(21,956)</b>	<b>422,527</b>
<b>Net change in cash</b>	<b>(65,435)</b>	<b>282,753</b>
<b>Cash, beginning of year</b>	<b>568,155</b>	<b>285,402</b>
<b>Cash, end of year</b>	<b>\$ 502,720</b>	<b>\$ 568,155</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest, capitalized in property and equipment	\$ -	\$ 15,172
Cash paid for interest - expensed in 2018	\$ 19,353	\$ -



**Note 1:        Organization and Nature of Activities**

The Atlanta Community ToolBank, Inc. (ToolBank) is a non-profit organization located in Atlanta, Georgia. The ToolBank stewards an inventory of tools for lending to charitable organizations to increase the impact of their mission-related efforts in the community. The ToolBank loans tools to other non-profit and charitable organizations through the collection of dues and handling fees to assist them in completing their community improvement projects in a cost-effective manner.

The Tool Training Center (TTC) is located in the ToolBank. The TTC is a collaborative educational center focused on bridging critical gaps in the areas of tool use, repair and safety, workforce development, young adult introduction to tools and trades, disaster preparedness, and facility management. As an educational force for service, the ToolBank's Tool Training Center is helping our non-profit community make volunteer service easier, safer and more abundant across metro Atlanta. The ToolBank is now equipping volunteers with the knowledge of how to use tools more effectively, increasing volunteer skills and their impact on our community.

In addition to revenue received from tool lending and program service fees, the ToolBank receives donations from individuals, corporations, and foundations primarily located in the metropolitan area of Atlanta, Georgia.

**Note 2:        Summary of Significant Accounting Policies**

**Basis of Accounting and Financial Reporting**

The accompanying financial statements are presented on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred.

These financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board. The ToolBank is required to classify information regarding its net assets, revenues, gains, and losses 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 and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the ToolBank's management and the board of directors.

**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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.



Expenses in the Statements of Activities have been reported by the functional classifications, major classes of program services and supporting activities. Program services are the activities that result in goods and services distributions to beneficiaries and members, and which fulfill the purposes or mission for which the ToolBank exists. Supporting programs are all the other activities of the ToolBank other than program services.

### **Revenue Recognition**

Unconditional contributions are recognized as support to the ToolBank in the period received or pledged. Contributions with donor-imposed restrictions are classified as restricted and released according to the donor stipulations. Contributions received with no donor-imposed restrictions, and where the restrictions are met within the same year, are recorded as unrestricted contributions. Conditional pledges are recognized in the statement of activities when the conditions on which they depend are substantially met.

Revenue from rentals, events, and educational programs are recognized in the period the event or program occurs.

The ToolBank receives contributed goods and services from other individuals and organizations, the fair value of which is recorded in the financial statements in the period received.

### **Adoption of Recent Accounting Pronouncement**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*), which is intended to improve how a not-for-profit (NFP) entity classifies its net assets, and the information it presents in its financial statements about its (1) liquidity and availability of resources, (2) expenses and investment return, and (3) cash flows. ASU 2016-14 is effective for the Organization for reporting periods beginning after December 15, 2017. The ToolBank adopted this pronouncement for the year ended December 31, 2018.

### **Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year adoption of ASU 2016-14; however, this change did not have any effect on the net assets or the change in net assets for 2017.

### **Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to program services, fundraising, and management and general activities based on programs and supporting services benefitted. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged based on space utilized; compensation of employees who perform these duties; or on studies based on estimates of time and effort of the related expense.



### **Estimates**

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

### **Cash**

For purposes of the statement of cash flows, the ToolBank considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash.

### **Income Taxes**

The ToolBank is exempt from Federal and State income taxes under Internal Revenue Code Section 501 (c) (3). Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the ToolBank has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Management of the ToolBank considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability or discloses potential significant changes that management believes are more likely than not to occur, including changes to the ToolBank's status as a not-for-profit entity. Management believes the ToolBank met the requirements to maintain its tax-exempt status and had no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. The ToolBank's tax returns for the past three years are subject to examination by tax authorities and may change upon examination. However, the ToolBank is not currently under audit nor has it been contacted by the taxing authorities.

The Tax Cuts and Jobs Act of 2017 was signed into law on December 22, 2017. Management does not expect the legislation to have an impact on the Foundation's financial statements because the Foundation is exempt from income taxation under Internal Revenue Code Section 501 (c) (3).

### **Donated Assets and Services**

Donated assets are recorded at their fair market value on the date of receipt. If donated services received either create or enhance non-financial assets or require specialized skills which would need to be purchased if not donated, the value of those donated services are recorded.

The ToolBank received approximately \$98,000 and \$107,000 of donated furniture, equipment, tools, and supplies per year in 2018 and 2017, respectively. The donated services received totaled approximately \$27,000 and \$3,000 during 2018 and 2017, respectively. These services primarily included marketing, communication, and security services.

Approximately 350 and 650 volunteers donated significant amounts of their time to the ToolBank's programs and supporting services in 2018 and 2017, respectively. The value of these services did not meet the criteria for recognition in the financial statements and the value has not been estimated.



### **Advertising**

Advertising costs are expensed as incurred. Advertising expense was approximately \$2,000 and \$4,000 per year for the years ended December 31, 2018 and 2017, respectively.

### **Sales of Excess Tools and Supplies and Sales Tax**

The ToolBank holds an annual sale one day each year to make excess tools and supplies and tools, no longer useful for rental available to the general public. No costs are assigned to these tools and supplies because the prices are deeply discounted, and the tools no longer have value to The ToolBank.

The ToolBank presents sales taxes, net of related revenue, on a net basis in the accompanying financial statements. Amounts collected and remitted totaled \$2,300 and \$2,000 for the years ended December 31, 2018 and December 31, 2017, respectively.

### **Subsequent Events**

The date to which events occurring after December 31, 2018 have been evaluated for possible adjustment to the financial statements or disclosure is November 18, 2019 which is the date the financial statements were available to be issued.

### **Note 3: Availability and Liquidity**

The ToolBank prepares an annual budget that is reviewed and approved by the Board of Directors annually in advance of the upcoming year. Periodic meetings are held by the Board and the Finance Committee to review internal financial statements and budget to actual comparisons. The ToolBank does not commit to expenditures if cash is not available to meet the expenditures.

The following represents the ToolBank's financial assets at December 31, 2018:

	<b>2018</b>
Financial assets at year-end:	
Cash	\$ 502,720
Pledges and grants receivable, net	22,181
Other assets	1,921
Total financial assets	<b>526,822</b>
Less amounts not available to be used in current operations within one year:	-
	<b>\$ 526,822</b>
Financial assets available to meet general expenditures over the next year	<b>\$ 526,822</b>



The ToolBank's goal is generally to maintain financial assets to meet three-to-six months of operating expenses (approximately \$300,000)

Availability and liquidity information is appropriately not presented for the year ended December 31, 2017 – prior to current year adoption of ASU 2016-14.

**Note 4: Pledges and Grants Receivable**

Pledges receivable at December 31, 2018, and December 31, 2017, were as follows:

	2018	2017
Unrestricted	\$ 37,181	\$ 69,435
Restricted for use	-	6,200
	<u>37,181</u>	<u>75,635</u>
Less allowance for uncollectible pledges	(15,000)	(17,000)
Total pledges receivable	<u>\$ 22,181</u>	<u>\$ 58,635</u>
Due in less than one year	\$ 22,181	\$ 52,435
Due in one to five years	-	6,200
	<u>\$ 22,181</u>	<u>\$ 58,635</u>
Less discount to net present value	-	-
Net pledges receivable	<u>\$ 22,181</u>	<u>\$ 58,635</u>

During 2017 the ToolBank received the first payment of an energy improvement grant of \$59,547. The purpose of the grant was to improve the lighting and reduce energy costs in the Tool Training Center and offices. The payment received in 2017 was \$29,774 and the remaining payment is conditional upon the energy saving improvements being made. Payment is expected in 2019.

There are no other conditional pledges or grants receivable at December 31, 2018.

**Note 5: Property and Equipment**

Property and equipment consist of the following:

	<b>2018</b>	<b>2017</b>	<b>Estimated Useful Life (Years)</b>
Land, building and improvements	\$ 1,838,861	\$ 1,724,781	15-39
Machinery and equipment	52,687	208,225	5-7
Furniture and fixtures	37,750	37,750	7
Office equipment	5,229	4,240	5
	<b>1,934,527</b>	<b>1,974,996</b>	
Less accumulated depreciation	<b>(155,765)</b>	<b>(276,200)</b>	
	<b>\$ 1,778,762</b>	<b>\$ 1,698,296</b>	

The ToolBank capitalizes all expenditures for property, furniture, fixtures and equipment in excess of \$1,000. Property and equipment are recorded at cost or fair market value, if donated, and are depreciated using accelerated methods ranging from 5 to 39 years based upon their estimated useful lives.

**Note 6: Statements of Cash Flows and Concentrations of Credit Risk**

The ToolBank maintains cash balances at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2018, and 2017, the ToolBank's account balances not covered by F.D.I.C. limits were approximately \$80,000 and \$195,000, respectively. The ToolBank has not experienced any losses in such accounts.

**Note 7: License Agreement with ToolBank USA**

On December 14, 2011, the ToolBank entered into a licensing agreement with ToolBank USA.

This licensing agreement entitles the ToolBank to utilize the Operations Manual or system developed by ToolBank USA. The distinguishing characteristics of the system include, but are not limited to, color schemes, signage and other identification schemes, tool tracking software and the accumulated experience reflected in ToolBank USA's training program and operating procedures.

The licensing agreement also entitles the Organization to an exclusive operating territory defined as the following Georgia counties: Fulton, DeKalb, Gwinnett, Cobb, Coweta, Fayette, Clayton, Henry, Spalding, Rockdale, Paulding, Forsyth, Cherokee and Douglas. ToolBank paid ToolBank USA \$3,250 for this agreement in 2018 and 2017.



**Note 8: Net Assets With Donor Restrictions and Multi-Pliers Campaign**

The net assets with donor restriction are as follows:

	2018	2017
Trailer purchase	-	500
Multi-Pliers campaign	-	6,200
Total	\$ -	\$ 6,700

Through the Multi-Pliers campaign, begun in 2016, the ToolBank was able to complete warehouse renovation and site improvements to the Customer Service Center, Tool Lending Center, and Tool Training Center. The ToolBank received their certificate of occupancy and completed the renovations in January 2018.

**Note 9: Lease with HouseProud Atlanta, Inc.**

In 2016, the ToolBank entered into a lease agreement with HouseProud Atlanta, Inc., a Georgia not-for-profit corporation, for approximately 256 square feet of office space and approximately 1,807 square feet of storage space in their building at 410 Englewood Avenue.

The lease term is from August 1, 2016 through July 31, 2019, at a base rental of \$1,500 per month.

Future minimum rentals to be received under this lease are:

$$\frac{2019 - \$10,500}{\$10,500}$$

Rental income was \$20,675 for 2018, and \$20,750 for 2017. These amounts also included rental income from a month-to-month lease from another not-for-profit organization of approximately \$200 per month.

The lease expired in July 2019 and House Proud has continued paying rent monthly. House Proud and the ToolBank are currently negotiating new lease terms.



**Note 10: Note Payable**

On March 7, 2017, the ToolBank borrowed \$450,000 to begin the next phase of renovations to their Tool Lending and Tool Training Center at their warehouse.

	2018	2017
Note payable, due in monthly installments of \$3,442, includes principal and interest at 4.50% to March 2022 with remaining principal balance due at maturity (secured by building and improvements)	\$ 412,234	\$ 434,190
Less unamortized discount	(7,875)	(10,076)
	<u>\$ 404,359</u>	<u>\$ 424,114</u>

Future maturities of the note payable and future amortization of loan costs are as follows:

Years Ending December 31,	Note Payable	Amortization of Loan Costs
2019	\$ 23,761	\$ 2,302
2020	24,326	2,408
2021	25,444	2,518
2022	338,703	647
	<u>\$ 412,234</u>	<u>\$ 7,875</u>

The ToolBank made additional principal payments on this note of \$175,000 during 2019.

**Note 11: Retirement Plan**

In 2017, the ToolBank adopted a 401K plan available to all eligible employees. Participants may elect to contribute up to the maximum amounts allowed by law. The ToolBank did not make any matching contributions in 2018 or 2017.