CITY KIDS TO WILDERNESS PROJECT, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2019
(With Summarized Comparative Information for the Year Ended December 31, 2018)

HAN GROUP
Certified Public Accountants and Consultants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
City Kids to Wilderness Project, Inc.

We have audited the accompanying financial statements of City Kids to Wilderness Project, Inc. (the Organization), which comprise of the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors consider 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 City Kids to Wilderness Project, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, City Kids to Wilderness Project, Inc. has adopted new accounting guidance, Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited City Kids to Wilderness Project, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

Washington, DC
June 15, 2020

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Financial Position
December 31, 2019
(With Summarized Comparative Information for 2018)

	2019	2018
Assets		
Cash and cash equivalents	$ 162,546	$ 310,256
Contributions receivable, net	810,509	116,402
Other receivables	562	2,570
Investments	1,095,721	841,870
Prepaid expenses	49,386	40,944
Property and equipment, net	126,295	103,622
Deposits	1,600	1,600
Total assets	$ 2,246,619	$ 1,417,264
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 18,873	$ 20,191
Accrued vacation	17,870	13,914
Other liabilities	6,850	5,000
Total liabilities	43,593	39,105
Net Assets		
Without donor restrictions		
Undesignated	794,300	453,011
Board designated – general reserve	994,656	841,870
Total without donor restrictions	1,788,956	1,294,881
With donor restrictions	414,070	83,278
Total net assets	2,203,026	1,378,159
Total liabilities and net assets	$ 2,246,619	$ 1,417,264

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Activities
Year Ended December 31, 2019
(With Summarized Comparative Information for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	$ 1,579,957	$ 578,820	$ 2,158,777	$ 1,585,465
Donated goods, facilities and services	417,686	-	417,686	458,517
Rental income	65,110	-	65,110	77,596
Other income	5,800	-	5,800	15,872
Net Investment income (loss)	238,016	-	238,016	(42,314)
Net assets released from restrictions:				
Satisfaction of purpose restrictions	231,778	(231,778)	-	-
Satisfaction of time restrictions	16,250	(16,250)	-	-
Total revenue and support	2,554,597	330,792	2,885,389	2,095,136
Expenses				
Program services	1,495,165	-	1,495,165	1,538,798
Supporting services:				
Management and general	222,694	-	222,694	217,520
Fundraising	342,663	-	342,663	313,814
Total supporting services	565,357	-	565,357	531,334
Total expenses	2,060,522	-	2,060,522	2,070,132
Change in Net Assets	494,075	330,792	824,867	25,004
Net Assets, beginning of year	1,294,881	83,278	1,378,159	1,353,155
Net Assets, end of year	$ 1,788,956	$ 414,070	$ 2,203,026	$ 1,378,159

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Functional Expenses
Year Ended December 31, 2019
(With Summarized Comparative Information for 2018)

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Supporting Services	2019 Total	2018 Total
Salaries and related expenses	$ 680,601	$ 142,892	$ 223,449	$ 366,341	$ 1,046,942	$ 1,016,766
Donated goods, facilities and services	385,170	8,128	14,048	22,176	407,346	418,977
Travel and meals	143,268	2,186	6,833	9,019	152,287	178,248
Occupancy	69,499	5,312	8,459	13,771	83,270	76,430
Consultants	17,902	2,866	38,540	41,406	59,308	25,253
Activity fees	56,818	-	-	-	56,818	51,426
Professional fees	-	48,552	-	48,552	48,552	42,100
Insurance	25,575	8,359	8,555	16,914	42,489	42,269
Repairs and maintenance	41,155	67	195	262	41,417	43,938
Special event expenses	-	-	31,377	31,377	31,377	28,426
Office expenses	18,407	3,219	7,560	10,779	29,186	35,551
Depreciation	14,343	191	231	422	14,765	17,730
Program supplies	14,469	-	-	-	14,469	25,310
Other expenses	27,958	922	3,416	4,338	32,296	67,708
Total Expenses	$ 1,495,165	$ 222,694	$ 342,663	$ 565,357	$ 2,060,522	$ 2,070,132

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Cash Flows
Year Ended December 31, 2019
(With Summarized Comparative Information for 2018)

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ 824,867	$ 25,004
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	14,765	17,729
Net realized and unrealized gain on investments	(201,530)	56,842
Impairment loss on intangible asset	-	35,000
Change in operating assets and liabilities:		
Contributions receivable	(694,107)	80,011
Other receivables	2,008	50,569
Prepaid expenses	(8,442)	(5,745)
Accounts payable and accrued expenses	(1,318)	521
Accrued vacation	3,956	6,172
Other liabilities	1,850	1,250
Net cash (used in) provided by operating activities	(57,951)	267,353
Cash Flows from Investing Activities		
Proceeds from sale of investments	521,841	962,618
Purchases of investments	(574,162)	(1,315,893)
Purchases of property and equipment	(37,438)	(84,943)
Net cash used in investing activities	(89,759)	(438,218)
Net Decrease in Cash and Cash Equivalents	(147,710)	(170,865)
Cash and Cash Equivalents, beginning of year	310,256	481,121
Cash and Cash Equivalents, end of year	$ 162,546	$ 310,256

1. Nature of Operations

City Kids to Wilderness Project, Inc. (the Organization) is a nonprofit entity incorporated in the District of Columbia (DC). The Organization was founded on the belief that providing enriching life experiences for DC youth can enhance their lives, the lives of their families, and the greater community. The program is based around three core principles: long-term youth engagement, outdoor adventure and experiential education programming, and goal setting with a focus on future planning. Youth develop a positive self-identity by overcoming challenges, building strong relationships with peers and adult mentors, and exploring personal possibilities. The City Kids journey begins when youth enter the program in the sixth grade, and continues through middle school, high school, and beyond. Programming is based on the positive youth development framework, and the program is carefully structured to provide age and stage appropriate support as youth mature. Each year brings new challenges, opportunities, and excitement as youth gain new skills, and explore Washington, DC and the wilderness areas of the Mid-Atlantic, and participate in summer programming at Broken Arrow Ranch in Jackson, Wyoming. The Organization funds its program and supporting services primarily through contributions from individuals, foundations, governments, and corporations.

2. Summary of Significant Accounting Policies

<u>Basis of Accounting</u>

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

<u>Cash and Cash Equivalents</u>

Cash and cash equivalents include demand deposits, money market accounts and all highly liquid investments with initial maturities of three months or less. Cash and cash equivalents designated by the Board of Directors (the Board) or designated for other long-term purposes are included in investments.

<u>Investments</u>

Investments are measured at fair value and are composed of equity securities, fixed income funds, cash and money market funds. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Investment income (loss) is presented net of investment advisory and management fees in the accompanying statement of activities. Net realized and unrealized gains or losses on investments are included in investment income (loss). Certain cash and money market funds, held for long term purposes in the investment portfolios, are included in investments in the accompanying statement of financial position.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment over $1,000 with a projected useful life exceeding one year are capitalized and recorded at cost or, if donated, at their estimated fair value at date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations. Included in net assets without donor restrictions are funds that have been designated by the Board as general long-term operating reserves.

- *Net Assets With Donor Restrictions* represent funds that are subject to donor-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 did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2019.

Revenue Recognition

Contributions without donor-imposed conditions are recognized upon receipt or notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and/ or for the expiration of donor-imposed time restrictions. These reclassifications are reported in the accompanying statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts for which conditions have been met, that have not yet been received, are reflected as contributions receivable, in the accompanying statement of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances. There were no refundable advances at December 31, 2019. The Organization received cost reimbursable conditional awards of approximately $131,000 that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred. These amounts will be recognized as revenue when the Organization has incurred expenditures in compliance with the specific donor provisions.

2. Summary of Significant Accounting Policies (continued)

Donated Goods, Facilities and Services

Donated goods, facilities and services are recorded at their fair values in the period received. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, occupancy, insurance, office expenses, depreciation, and other expenses.

Changes in Accounting Principles

Effective January 1, 2019, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires that an entity evaluate whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. The Organization adopted ASU 2018-08 using a modified prospective approach. The implementation of ASU 2018-08 did not have a material effect on the Organization's financial positions, results of operations, or cash flows. There was no cumulative effect of a change in accounting principle recorded related to the adoption of ASU 2018-08 on January 1, 2019. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

Effective January 1, 2019, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. The core principle of ASU 2014-09 requires the recognition of revenue for exchange and partial exchange transactions when, or as goods or services are delivered, in the amount that reflects the consideration to which the entity is entitled in exchange for what has been delivered. The ASU requires that the entity use the following five step process: 1) Identify exchange agreements or partial exchange agreements that create a contract; 2) Identify their performance obligations; 3) Determine the transaction price; 4) Allocate the transaction price among the performance obligations; 5) Recognize revenue at the point in time when, or over the time period during which, a performance obligation is recognized. The adoption of the ASU did not impact the change in net assets.

2. Summary of Significant Accounting Policies (continued)

Pending Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842).* The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2021.

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 certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain 2018 amounts have been reclassified to conform to the 2019 financial statement presentation.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018 from which the summarized information was derived.

3. Concentrations

The Organization maintains demand deposits at certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limit or the Securities Investor Protection Corporation (SPIC) limits per depositor, per institution. The Organization has not experienced any losses to date as it relates to FDIC or SIPC insurance limits, monitors the credit worthiness of these institutions and believes that the risk of any loss is minimal.

In addition, the Organization invests funds in a portfolio of marketable securities. Such investments are exposed to market and credit risks. Therefore, the Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

During the year ended December 31, 2019, the Organization received 50% of its contribution revenues from four donors. Additionally, at December 31, 2019, 63% of contributions receivable were due from two donors.

4. Contributions Receivable

Contributions receivable represent amounts due from the Organization's various donors and are receivable as follows at December 31, 2019:

Receivable in less than one year	$	615,007
Receivable in one to five years		200,000
Total contributions receivable		815,007
Less: unamortized discount		(4,498)
Contributions receivable, net	$	810,509

Multi-year contributions are discounted to their present value at a discount rate of 1.53% over the period of the contribution using an estimate of expected cash flows. The Organization has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible. If an amount becomes uncollectible, it is expensed when that determination is made.

5. Property and Equipment

The Organization held the following property and equipment at December 31, 2019:

Autos and trucks	$	102,881
Leasehold improvements		95,358
Machinery and equipment		60,243
Program equipment		10,235
Computer equipment		9,039
Total property and equipment		277,756
Less: accumulated depreciation		(151,461)
Property and equipment, net	$	126,295

6. Investments

The Organization's investments consist of the following at December 31, 2019:

Cash and money market funds	$	17,140
Equity securities		1,030,584
Fixed income funds		47,997
Total investments	$	1,095,721

7. Fair Value of Financial Instruments

The three levels of the fair value hierarchy for recurring fair value measurements are prioritized based on the inputs to valuation techniques used to measure fair value and are as follows:

- *Level 1* - Inputs based on unadjusted, quoted market prices in active markets for identical assets or liabilities accessible at the measurement date.
- *Level* 2 - Inputs based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability, such as quoted prices for similar assets or liabilities in active markets.
- *Level* 3 - Unobservable inputs for the asset or liability including the reporting entity's own assumptions in determining the fair value measurement.

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2019:

	Level 1	Total
Cash and money market funds	$ 17,140	$ 17,140
Equity securities	1,030,584	1,030,584
Fixed Income	47,997	47,997
Total	$ 1,095,721	$ 1,095,721

8. Donated Goods, Facilities and Services

During the year ended December 31, 2019, the Organization received donated camping and program equipment valued at $20,107, program travel of $5,031 and vehicle for participant travel of $6,048 as well as donated ranch rent of $330,000. The Organization also received donated professional services for strategic alignment of $54,000 and donated administrative legal services of $2,500 during the year ended December 31, 2019.

9. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year. All financial assets listed below are considered to be convertible to cash within one year.

Cash and cash equivalents	$ 162,546
Contributions receivable	615,007
Investments	1,095,721
Other receivables	562
Total financial assets	1,873,836
Less: Donor-imposed restrictions on the financial assets	(218,568)
Less: Board designated net assets	(994,656)
Financial assets available to meet cash needs for general expenditures within one year	$ 660,612

The Organization has a goal to maintain financial assets to meet three months of normal operating expenses. The Organization structures its financial assets to be available and liquid as its obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals and donor restrictions will continue to be met. Occasionally, the Board designates a portion of net assets without donor restrictions as a general long-term reserve. The reserve was $994,565 at December 31, 2019, as shown in the accompanying statement of financial position. Should the need arise, the Board may approve releases from the reserve.

10. Leases

The Organization entered into lease agreements for its office space on a month-to-month basis. Rent expense from these leases for the year ended December 31, 2019 was $65,440.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2019:

Subject to the passage of time	$ 379,570
Subject to expenditure for specific purposes:	
College and Alumni Program Expansion	22,500
DC-Area Program	12,000
Total net assets with donor restrictions	$ 414,070

11. Net Assets With Donor Restrictions (continued)

During the year ended December 31, 2019, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	$	16,250
Satisfaction of expenditures for specific purposes:		
Summer Strong		125,000
College & Alumni Program Expansion		30,000
Career Exploration		25,000
Summer 2019		20,000
DEI Project Building Capacity		18,000
Master Plan for Ranch		8,778
College Access		4,000
Ranch Maintenance Support		1,000
Total net assets released from restrictions	$	248,028

12. Pension Plan

The Organization provides noncontributory retirement benefits to its employees. Full time employees with six months of service or more are eligible for the Organization's retirement plan. Employees are permitted to contribute up to the allowable maximum.

13. Related Party Transactions

In 2017, the Organization entered into a lease agreement for a ranch used for the Organization's program activities with its founder and chairman emeritus of the Board. The lease provides discounted rent at $100 annually for ten years. The lease is automatically extended for up to two subsequent ten-year extension terms unless the Organization terminates at least one year prior to the initial or extended termination date. If the term of the lease is extended, either the landlord or the Organization may terminate the lease with a five-year notice during the first extended term, or a three-year notice during the second extended term. The intent is that prior to the expiration of the final extended term, the parties will negotiate a new lease. The fair market value of the annual rent for the ranch is approximately $330,100. The difference between the fair value of the rent and the actual rent paid during 2019 was recognized as donated rent income and expenses, and included in donated goods, facilities, and services in the accompanying statement of activities. In addition, the founder and chairman emeritus of the Board contributed a total of $282,621 in donations during the year ended December 31, 2019.

14. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2019, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2019 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

15. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 15, 2020, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements, other than as noted in the following paragraphs.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses including cancellations of events and meetings during 2020. The Organization has closed its office but continues its work remotely. In person programs have been postponed until further notice from the District of Columbia (DC) Mayor and the Centers for Disease Control. The Organization has also suspended overnight programs in DC and Wyoming (WY) through the end of July 2020. The Organization held virtual programs for participants between April 1 and May 15, 2020 and will begin summer virtual programs for participants on June 15, 2020. The Organization has received flight credits related to its WY programs and is pursuing returns of deposits for activities. The Organization will begin virtual programs for participants on June 15, 2020 and is in communication with its donors regarding these changes. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions put in place by various levels of government. At this time, the potential related financial impact and duration cannot be reasonably estimated.

15. Subsequent Events (continued)

Under the Families First Coronavirus Response Act (FFCRA), the Organization has received reimbursements for allowable emergency paid sick leave related to COVID-19. The Organization also received an Emergency Injury Disaster Loan (EIDL) advance of $10,000 and was subsequently awarded a Paycheck Protection Program (PPP) forgivable loan of $204,729, which includes the re-financing of the EIDL advance of $10,000 into the PPP loan. The PPP loan has an interest rate of 1% and a term of 24 months, with a deferment of 6 months. All or a portion of the PPP loan has the potential to be forgiven under the provisions of the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

In addition, the Organization accepted a loan in the amount of $150,000 under the EIDL program with an effective date of May 19, 2020. The loan carries an interest rate of 2.75% over a term of 30 years, and repayment of the loan is deferred for twelve months from the effective date. The Organization has granted the Small Business Association (SBA) collateral that includes all tangible and intangible property that the Organization owns or shall acquire.