

CITY KIDS TO WILDERNESS PROJECT, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2020

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

CITY KIDS TO WILDERNESS PROJECT, INC.

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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 the statement of financial position as of December 31, 2020, 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, 2020, 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.

Report on Summarized Comparative Information

We have previously audited City Kids to Wilderness Project, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

Washington, DC
June 8, 2021

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Financial Position
December 31, 2020
(With Summarized Comparative Information for 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 207,884	\$ 162,546
Contributions receivable, net	496,934	811,071
Investments	2,298,294	1,095,721
Prepaid expenses and deposits	57,997	50,986
Property and equipment, net	<u>129,664</u>	<u>126,295</u>
Total assets	<u>\$ 3,190,773</u>	<u>\$ 2,246,619</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 25,857	\$ 18,873
Accrued vacation	19,576	17,870
Other liabilities	5,125	6,850
Notes payable	<u>150,000</u>	<u>-</u>
Total liabilities	<u>200,558</u>	<u>43,593</u>
Net Assets		
Without donor restrictions		
Undesignated	1,300,475	794,300
Board designated – general reserve	<u>1,479,247</u>	<u>994,656</u>
Total without donor restrictions	2,779,722	1,788,956
With donor restrictions	<u>210,493</u>	<u>414,070</u>
Total net assets	<u>2,990,215</u>	<u>2,203,026</u>
Total liabilities and net assets	<u>\$ 3,190,773</u>	<u>\$ 2,246,619</u>

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Activities
Year Ended December 31, 2020
(With Summarized Comparative Information for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	\$ 1,846,643	\$ 102,373	\$ 1,949,016	\$ 2,158,777
Donated goods, facilities and services	588,247	-	588,247	417,686
Net investment income	181,464	-	181,464	238,016
Rental income	90,057	-	90,057	65,110
Other income	712	-	712	5,800
Net assets released from restrictions:				
Expiration of time restrictions	221,568	(221,568)	-	-
Satisfaction of purpose restrictions	84,382	(84,382)	-	-
Total revenue and support	<u>3,013,073</u>	<u>(203,577)</u>	<u>2,809,496</u>	<u>2,885,389</u>
Expenses				
Program services	1,472,513	-	1,472,513	1,495,165
Supporting services:				
Management and general	250,813	-	250,813	222,694
Fundraising	290,810	-	290,810	342,663
Total supporting services	<u>541,623</u>	<u>-</u>	<u>541,623</u>	<u>565,357</u>
Total expenses	<u>2,014,136</u>	<u>-</u>	<u>2,014,136</u>	<u>2,060,522</u>
Change in Net Assets from Operating Activities	998,937	(203,577)	795,360	824,867
Nonoperating Activities				
Loss on disposal of property and equipment	(8,171)	-	(8,171)	-
Change in Net Assets from Non-operating Activities	<u>(8,171)</u>	<u>-</u>	<u>(8,171)</u>	<u>-</u>
Total Change in Net Assets	990,766	(203,577)	787,189	824,867
Net Assets, beginning of year	<u>1,788,956</u>	<u>414,070</u>	<u>2,203,026</u>	<u>1,378,159</u>
Net Assets, end of year	<u>\$ 2,779,722</u>	<u>\$ 210,493</u>	<u>\$ 2,990,215</u>	<u>\$ 2,203,026</u>

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Functional Expenses
Year Ended December 31, 2020
(With Summarized Comparative Information for 2019)

	2020				2019	
	Program Services	Supporting Services		Total Supporting Services	Total	Total
		Management and General	Fundraising			
Salaries and related expenses	\$ 669,114	\$ 159,702	\$ 215,247	\$ 374,949	\$ 1,044,063	\$ 1,044,523
Donated goods, facilities and services	588,247	-	-	-	588,247	407,346
Consultants and professional fees	15,768	64,324	39,735	104,059	119,827	99,066
Office expenses	66,175	8,602	9,510	18,112	84,287	97,831
Occupancy	53,813	6,414	8,686	15,100	68,913	65,440
Insurance	22,997	8,682	7,696	16,378	39,375	42,489
Program supplies and activity fees	24,075	-	-	-	24,075	79,547
Travel and meals	6,116	1,040	1,738	2,778	8,894	152,288
Special event expenses	-	-	6,222	6,222	6,222	31,377
Other expenses	26,208	2,049	1,976	4,025	30,233	40,615
Total Expenses	\$ 1,472,513	\$ 250,813	\$ 290,810	\$ 541,623	\$ 2,014,136	\$ 2,060,522

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.
Statement of Cash Flows
Year Ended December 31, 2020
(With Summarized Comparative Information for 2019)

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 787,189	\$ 824,867
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,030	14,765
Loss on disposal of equipment	8,171	-
Net realized and unrealized gain on investments	(142,375)	(201,530)
Change in operating assets and liabilities:		
Contributions receivable	314,137	(692,099)
Prepaid expenses and deposits	(7,011)	(8,442)
Accounts payable and accrued expenses	6,984	(1,318)
Accrued vacation	1,706	3,956
Other liabilities	(1,725)	1,850
Net cash provided by (used in) operating activities	<u>982,106</u>	<u>(57,951)</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	2,324,905	521,841
Purchases of investments	(3,385,103)	(574,162)
Purchases of property and equipment	(26,570)	(37,438)
Net cash used in investing activities	<u>(1,086,768)</u>	<u>(89,759)</u>
Cash Flows from Financing Activities		
Borrowings on notes payable	<u>150,000</u>	-
Net cash provided by financing activities	<u>150,000</u>	-
Net Increase (Decrease) in Cash and Cash Equivalents	45,338	(147,710)
Cash and Cash Equivalents, beginning of year	<u>162,546</u>	<u>310,256</u>
Cash and Cash Equivalents, end of year	<u>\$ 207,884</u>	<u>\$ 162,546</u>

See accompanying notes.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

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

Basis of Accounting

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.

Cash and Cash Equivalents

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.

Investments

Investments are measured at fair value and are composed of cash and money market funds designated by the Board or designated for other long-term purposes, equity securities, and fixed income 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 is presented net of investment advisory and management fees, if any, on the accompanying statement of activities. Net realized and unrealized gains or losses on investments are included in net investment income.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

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, 2020.

Revenue Recognition

Contributions

Contributions without conditions are recognized upon 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 for the expiration of donor-imposed time restrictions. These reclassifications are reported on 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 received in advance of the conditions being met are recorded as deferred revenue. The Organization did not have any conditional contributions at December 31, 2020.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Paycheck Protection Program Conditional Contribution

The Organization received a Small Business Administration (SBA), Paycheck Protection Program (PPP) loan in May 2020 in the amount of \$204,729. The loan carried an interest rate of 1% per annum, had a two-year repayment period and was unsecured. In addition, there was a deferral of the repayment of the loan for up to ten months after the end of the covered period.

The Organization's policy is to account for the PPP loan as a conditional contribution. The Organization fully met the conditions prior to December 31, 2020 and applied for and expects to receive full forgiveness under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES). Accordingly, this amount is included in contributions on the accompanying statement of activities.

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. During the year ended December 31, 2020, the Organization received donated camping and program equipment valued at \$5,375, as well as donated ranch rent of \$551,000 used in program activities. The Organization also received donated legal services of \$31,872, used for program activities during the year ended December 31, 2020.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on 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, office expenses, occupancy, insurance, travel and meals and other expenses.

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.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Pending Accounting Pronouncements (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The core principles of ASU 2020-07 address the measurement of nonfinancial contributions and increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The amendments in the update are to be applied on a retrospective basis. ASU 2020-07 is effective for non-public entities for fiscal years beginning after June 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 2019 amounts have been reclassified to conform to the 2020 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, 2019 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 (SIPC) 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 on the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

During the year ended December 31, 2020, the Organization received 27% of its contribution revenues from a single donor. Additionally, at December 31, 2020, 95% of contributions receivable were due from three donors.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

4. Contributions Receivable

Contributions receivable represent amounts due from the Organization's various donors and are receivable as follows at December 31, 2020:

Receivable in less than one year	\$	398,441
Receivable in one to five years		<u>100,000</u>
Total contributions receivable		498,441
Less: unamortized discount		<u>(1,507)</u>
Contributions receivable, net	\$	<u><u>496,934</u></u>

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. Investments

The Organization's investments consist of the following at December 31, 2020:

Equity securities	\$	1,301,049
Cash and money market funds		616,924
Fixed income funds		<u>380,321</u>
Total investments	\$	<u><u>2,298,294</u></u>

6. 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 to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

6. Fair Value of Financial Instruments (continued)

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2020:

	<u>Level 1</u>	<u>Total</u>
Equity securities	\$ 1,301,049	\$ 1,301,049
Cash and money market funds	616,924	616,924
Fixed Income	<u>380,321</u>	<u>380,321</u>
Total investments at fair value	<u>\$ 2,298,294</u>	<u>\$ 2,298,294</u>

7. Property and Equipment

The Organization held the following property and equipment at December 31, 2020:

Autos and trucks	\$ 102,881
Leasehold improvements	85,752
Machinery and equipment	46,436
Work in progress	27,070
Program equipment	10,235
Software	9,107
Computer equipment	<u>9,039</u>
Total property and equipment	290,520
Less: accumulated depreciation	<u>(160,856)</u>
Property and equipment, net	<u>\$ 129,664</u>

8. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2020, 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.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

8. Liquidity and Availability of Resources (continued)

Cash and cash equivalents	\$	207,884
Contributions receivable		496,934
Investments		<u>2,298,294</u>
Total financial assets		3,003,112
Less: Donor-imposed restrictions on the financial assets		(210,493)
Less: Board designated net assets		<u>(1,479,247)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>1,313,372</u></u>

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 \$1,479,247 at December 31, 2020, as shown on the accompanying statement of financial position. Should the need arise, the Board may approve releases from the reserve.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2020:

Subject to the passage of time	\$	198,493
Subject to expenditure for specific purposes:		
Clear and Healthy Camp for Urban Youth		7,000
DEI Project Building Capacity		<u>5,000</u>
Total net assets with donor restrictions	\$	<u><u>210,493</u></u>

During the year ended December 31, 2020, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	\$	221,568
Satisfaction of expenditures for specific purposes:		
Program Office Space		29,882
College & Alumni Program Expansion		22,500
Career Exploration		20,000
DC-Area Program		<u>12,000</u>
Total net assets released from restrictions	\$	<u><u>305,950</u></u>

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

10. Commitments

Notes payable

The Organization accepted a loan in the amount of \$150,000 under the Small Business Administration (SBA) Economic Injury and Disaster Loan (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. All tangible and intangible property that the Organization owns or shall acquire is collateral for the loan.

Annual maturities of the note payable are as follows for the years ending December 31:

2021	\$	-
2022		3,125
2023		5,357
2024		5,357
2025		5,357
Thereafter		<u>130,804</u>
Total loan maturities	\$	<u>150,000</u>

Operating 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, 2020 was \$68,913 and is presented as occupancy on the accompanying statement of functional expenses.

11. 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 \$551,100. The difference between the fair value of the rent and the actual rent paid during 2020 was recognized as donated rent income and expenses, and included in donated goods, facilities, and services on the accompanying statement of activities. In addition, the founder and chairman emeritus of the Board contributed a total of \$220,000 in donations during the year ended December 31, 2020.

CITY KIDS TO WILDERNESS PROJECT, INC.

Notes to Financial Statements

December 31, 2020

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. 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, 2020, 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, 2020 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.

14. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 8, 2021, 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 described in the paragraph below.

In February 2021, the Organization repaid the full amount due on the EIDL loan received from the SBA as disclosed in Note 10, *Commitments*.