

PROKIDS
ANNUAL REPORT
DECEMBER 31, 2022

PROKIDS

TABLE OF CONTENTS

December 31, 2022

<u>Title</u>	<u>Page</u>
Independent Auditor's Report	3
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Statements of Functional Expenses	7
Notes to Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of ProKids

Opinion

We have audited the accompanying financial statements of ProKids (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ProKids as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ProKids and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ProKids ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ProKids internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ProKids ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cincinnati, Ohio
June 4, 2023

PROKIDS

STATEMENTS OF FINANCIAL POSITION

At December 31,

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 520,427	\$ 315,206
Accounts Receivable	1,910	6,253
Prepaid Expenses	28,186	11,798
Unconditional Promises to Give	4,098,556	3,296,121
Software, Furniture and Equipment	331,648	81,785
Long-term Investments	12,620,072	12,753,026
Beneficial Interest in Greater Cincinnati Foundation	11,031	11,031
Deposit - Rent	1,283	1,283
- Other	320	320
TOTAL ASSETS	<u>17,613,433</u>	<u>16,476,823</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	19,207	19,995
Vacation Accrual	<u>177,029</u>	<u>152,752</u>
Total Current Liabilities	<u>196,236</u>	<u>172,747</u>
Net Assets		
Without Donor Restrictions	10,452,467	10,895,639
With Donor Restrictions	<u>6,964,730</u>	<u>5,408,437</u>
Total Net Assets	<u>17,417,197</u>	<u>16,304,076</u>
TOTAL LIABILITIES AND NET ASSETS	<u>17,613,433</u>	<u>16,476,823</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

STATEMENTS OF ACTIVITIES

December 31, 2022
(With Comparative Totals as of December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
REVENUES, GAINS AND OTHER SUPPORT				
Contributions, Grants and Fundraising	\$ 2,208,278	\$ 33,250	\$ 2,241,528	\$ 2,933,834
Donated Services	1,143,852	-	1,143,852	1,067,432
Government Grants	144,198	-	144,198	187,586
United Way & Community Chest	-	146,495	146,495	63,959
Investment Return, net	(1,231,665)	(302,646)	(1,534,311)	1,326,231
PPP Loan Forgiveness	-	-	-	420,593
Friends of Children Society, Net of Expenses Totaling \$28,138	(321,219)	1,291,965	970,746	1,482,959
Capital Campaign Net of Expenses Totaling \$157,745	827,020	1,517,443	2,344,463	-
Other	6,191	-	6,191	15,910
Net Assets Released from Restrictions: Satisfaction of Purpose and Time	<u>1,130,214</u>	<u>(1,130,214)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>3,906,869</u>	<u>1,556,293</u>	<u>5,463,162</u>	<u>7,498,504</u>
EXPENSES AND LOSSES				
Victims of Crime Act (VOCA)	142,421	-	142,421	181,811
Operating	3,461,317	-	3,461,317	3,101,595
Management and General	324,441	-	324,441	325,496
Fund Raising	<u>421,862</u>	<u>-</u>	<u>421,862</u>	<u>409,107</u>
Total Expenses	4,350,041	-	4,350,041	4,018,009
Unrealized (Loss) Gain in Beneficial Interest in Greater Cincinnati Foundation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(443,172)	1,556,293	1,113,121	3,480,384
Net Assets at Beginning of Year	<u>10,895,639</u>	<u>5,408,437</u>	<u>16,304,076</u>	<u>12,823,692</u>
Net Assets at End of Year	<u>10,452,467</u>	<u>6,964,730</u>	<u>17,417,197</u>	<u>16,304,076</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,113,121	\$ 3,480,384
Depreciation	25,241	20,621
Unrealized Loss on Beneficial Interest in GCF	-	111
(Increase) in Unconditional Promises to Give	(802,435)	(530,158)
(Increase) in Prepaid Expenses	(16,388)	(386)
Decrease (Increase) in Accounts Receivable	4,343	(4,343)
(Decrease) in Accounts Payable and Accrued Expenses	(30,710)	(30,710)
Increase (Decrease) in Vacation Accrual	<u>24,277</u>	<u>(38,950)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>317,449</u>	<u>2,896,569</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Decrease (Increase) of Investment Costs	162,876	(2,625,210)
Purchase of Property and Equipment	<u>(275,104)</u>	<u>(45,652)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(112,228)</u>	<u>(2,670,862)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
PPP Loan	<u>0</u>	<u>(426,700)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	205,221	(200,993)
BEGINNING CASH AND CASH EQUIVALENTS	<u>315,206</u>	<u>516,199</u>
ENDING CASH AND CASH EQUIVALENTS	<u>520,427</u>	<u>315,206</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
IN-KIND CONTRIBUTIONS:		
Stock	<u>58,142</u>	<u>181,950</u>
TOTAL NON-CASH INVESTING AND FINANCING ACTIVITIES	<u>58,142</u>	<u>181,950</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

(With Summarized Financial Information for the Year Ended December 31, 2021)

	PROGRAM SERVICES			SUPPORT SERVICES			2022 TOTAL	2021 TOTAL
	VOCA	OPERATING	TOTAL PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL SUPPORT SERVICES		
Bank Fees	\$ -	\$ 8,239	\$ 8,239	\$ -	\$ -	\$ -	\$ 8,239	\$ 12,649
Client Needs	-	49,135	49,135	-	-	-	49,135	24,796
Computer Expenses	-	32,113	32,113	-	-	-	32,113	26,993
Contract Services	-	-	-	1,519	-	1,519	1,519	4,144
Depreciation	-	18,913	18,913	2,801	3,527	6,328	25,241	20,621
Donated Services	-	1,135,852	1,135,852	8,000	-	8,000	1,143,852	1,067,432
Dues, Subscriptions and Fees	-	10,324	10,324	-	-	-	10,324	9,581
Employee Expense	-	-	-	-	-	-	-	5,390
Fund Raising Expenses	-	-	-	-	41,177	41,177	41,177	14,355
Insurance – General	-	13,971	13,971	2,069	2,605	4,674	18,645	8,580
Insurance – Health	12,265	177,599	189,864	26,004	32,746	58,750	248,614	246,061
Marketing	-	67,791	67,791	3,104	-	3,104	70,895	44,013
Miscellaneous	-	2,262	2,262	108	-	108	2,370	845
Outside Payroll Services	-	6,749	6,749	999	1,259	2,258	9,007	6,395
Payroll Taxes	8,978	128,541	137,519	19,036	23,971	43,007	180,526	173,743
Postage	-	4,343	4,343	-	-	-	4,343	3,533
Printing and Publication	-	3,358	3,358	-	-	-	3,358	23,630
Professional Services	-	-	-	9,400	-	9,400	9,400	18,039
Rent	-	24,952	24,952	3,695	4,653	8,348	33,300	33,300
Repairs and Maintenance	-	14,963	14,963	2,216	2,790	5,006	19,969	20,214
Salaries	113,757	1,628,624	1,742,381	241,182	303,709	544,891	2,287,272	2,208,462
Security	-	197	197	29	37	66	263	363
Staff Education Expense	-	10,502	10,502	-	-	-	10,502	11,445
Staff Mileage and Travel	-	33,174	33,174	-	-	-	33,174	17,158
Supplies	-	7,866	7,866	-	-	-	7,866	7,916
Technology	-	9,284	9,284	-	-	-	9,284	15,741
Telephone	6,636	5,351	11,987	1,775	2,235	4,010	15,997	16,508
Utilities	-	5,670	5,670	840	1,057	1,897	7,567	7,292
Volunteer Expenses	-	50,305	50,305	-	-	-	50,305	13,465
Workers' Compensation	785	11,239	12,024	1,664	2,096	3,760	15,784	(44,655)
TOTAL	<u>142,421</u>	<u>3,461,317</u>	<u>3,603,738</u>	<u>324,441</u>	<u>421,862</u>	<u>746,303</u>	<u>4,350,041</u>	<u>4,018,009</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Activities and Significant Accounting Policies:

Nature of Activities

ProKids recruits, trains and supervises volunteers, CASA-Court Appointed Special Advocates, who advocate on behalf of children who have been abused and neglected in Hamilton County, Ohio.

Summary of Significant Accounting Policies:

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Fair Value Measurements

GAAP has established a three-level hierarchy for fair value measurements based on the transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Cash

The organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized gains and losses on investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Statement of Financial Accounting Standards No. 116 requires that contributed revenue be measured at fair value.

Donated Securities and Investments

Donated securities and other investments are valued at their fair value at the date of donation. Donated securities are sold nearly immediately and are reported as operating cash flows in the statement of cash flows unless the donor restricted the use of the gift to financing a long-term purpose such as creating an endowment or purchasing property and equipment.

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair value when received. The organization capitalizes property and equipment valued in excess of \$1500. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Software	3 years
Equipment and Computers	5 years
Furniture and Fixtures	7 years

Total depreciation expense was \$25,241, and \$20,621, for fiscal years 2022, and 2021; respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

In-kind contributions of services used in the organization's programs are recorded as income and expense at the estimated fair value of those items. Donated services are not recorded if no objective basis is available to measure the value received by the organization.

A substantial number of volunteers have contributed significant amounts of their time to the organization's programs and management. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

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.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Income Taxes

ProKids is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, ProKids 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. There was no unrelated business income for 2022. The organization’s federal exempt organization tax returns are subject to examination by the Internal Revenue Service generally for three years after they are filed.

Contributions

Contributions are recorded when received as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction accomplished), donor restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are not in the same period as the contribution are reported as unrestricted support.

Effect of Adopting New Accounting Standards

In 2021, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers. The standard’s core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those good or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contract with customers. This adoption made no material changes to the financial statements.

In February 2016, the FASB issued the Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842), which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on all of the Organization’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. The adoption made no material changes to the financial statements.

Advertising

The organization expenses advertising as incurred.

Note 2 – United Way

Effective January 1, 1987, ProKids became an agency of *United Way*. For the calendar year ended December 31, 2022, ProKids had revenue totaling \$146,495.

Note 3 – Leases

ProKids leases office space from the Mayerson Foundation at 2605 Burnet Avenue, Cincinnati, Ohio. The third amendment to lease extended the lease to October 31, 2020. The Organization is now under a month-to-month lease.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 4 – Property and Equipment

Property and equipment consist of the following:

	<u>2021</u>	<u>2021</u>
Software	\$ 12,345	\$ 12,345
Furniture	34,418	34,418
Building in process	241,774	0
Equipment	<u>234,118</u>	<u>200,788</u>
TOTAL COSTS	522,655	247,551
Less: Accumulated Depreciation	<u>191,007</u>	<u>165,766</u>
NET FIXED ASSETS	<u>331,648</u>	<u>81,785</u>

Note 5 – Beneficial Interest in Perpetual Trust – Greater Cincinnati Foundation

The organization is the beneficiary of the ProKids Tuition Fund of the Greater Cincinnati Foundation. Application of SFAS No. 136, Transfers of Assets to a Not-For-Profit organization of Charitable Trust that Raises or Holds Contributions for Others, requires that the trust assets, which are not in the possession of the organization be recorded in the statements of financial position as net asset with donor restriction and as an interest in the Greater Cincinnati Foundation based on the fair market value of the trust. Net realized and unrealized gains (losses) related to the organization's beneficial interest are reported as changes in net assets with donor restrictions. Distributions from the Fund are to be used for the granting of partial or full scholarships to persons in need of financial help to begin or continue their education at the high school level. No distributions were made in 2022 and 2021.

Note 6 – Donated Services

The value of donated services included as contributions in the financial statements and the corresponding expenses for the year ended December 31, 2021 are as follows:

	<u>Program</u>	<u>Support</u>
Parking	\$ 19,200	\$
Advertising	9,984	
Printing	975	
Volunteer Services	1,098,571	
Cleaning	7,122	
Accounting Services	-	<u>8,000</u>
TOTAL	<u>1,135,852</u>	<u>8,000</u>

Note 6 – Donated Services – continued

Program volunteer hours have been recorded in the financial statements as it has been determined that the FASB Criteria for financial forms has been met. CASA volunteer hours and other direct service hours of 37,661 were provided in 2022. The estimated value of volunteer time is \$29.17 per hour (per www.independentsector.org).

Note 7 – Retirement Plan

The organization maintains a 403(b) Plan for the benefit of eligible employees. Participants may contribute a portion of their compensation, up to 15%, to the plan. Contributions are made by the organization at the discretion of management. No discretionary contributions were made by the organization during the year.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8 – Investments

The fair value of the organization's investments are summarized as follows:

	<u>2022</u>	<u>2021</u>
Level 1		
Exchange Traded Funds	\$ 7,068,900	\$ 1,355,670
Mutual Funds	5,318,795	11,133,217
Equity Securities	2,731	0
Level 2		
Money Market Funds	<u>229,646</u>	<u>264,139</u>
	<u><u>12,620,072</u></u>	<u><u>12,753,026</u></u>

Note 9 – Prepaid Expenses

As of December 31, prepaid expenses were composed of:

	<u>2022</u>	<u>2021</u>
General Insurance	\$ 4,540	\$ 530
Service Contracts	23,556	11,178
Rent	90	90
TOTAL	<u><u>28,186</u></u>	<u><u>11,798</u></u>

Note 10 – Promises to Give

Unconditional Promises to Give consist of the following:

	<u>2022</u>	<u>2021</u>
Friends of Children Society	\$ 2,980,858	\$ 3,223,741
Capital Campaign	1,008,261	0
United Way	<u>109,437</u>	<u>72,380</u>
TOTAL	<u><u>4,098,556</u></u>	<u><u>3,296,121</u></u>
Amounts Due in:		
Less Than one Year	\$ 958,960	870,519
One to Five Years	2,667,463	2,119,300
More than Five Years	<u>472,133</u>	<u>306,302</u>
TOTAL	<u><u>4,098,556</u></u>	<u><u>3,296,121</u></u>

The present value of cash flows from recorded Friends of Children Society and the Capital Campaign are discounted for 91.53% expected collectability and using a 3.43% rate of interest. Without discounting, the stated value of recorded promises to give is \$ 4,872,971, and \$ 3,439,487 for fiscal years 2022, and 2021, respectively.

Although donor designations to the United Way may vary, differences between the amounts allocated and collected from United Way have historically been insignificant. Accordingly, no provision is made for uncollectible amounts.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 11 – Liquidity and Availability of Financial Assets

ProKids monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. ProKids has the following assets that could be readily made available within one year of the balance sheet to fund expenses without limitations:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 520,427	\$ 315,206
Accounts Receivable	1,910	6,253
Unconditional Promises to Give	958,960	870,519
Investments: Operating	<u>9,206,924</u>	<u>10,011,379</u>
	<u>10,688,221</u>	<u>11,203,357</u>

Note 12 - Subsequent Events

ProKids evaluated subsequent events through June 4, 2023 the date the financial statements were available to be issued, and noted no material subsequent events had occurred through this date warranting revision to the financial statements.

ProKids has embarked on a transformational \$28 million campaign that will fundamentally change the way the community supports abused and neglected children. The campaign will support the build out of a new generational home for ProKids and a convening center for child protection located within walking distance of juvenile court, which will be the foundation for growth. Campaign funds will also allow ProKids to maximize the use of this new space by providing resources for training and supporting more CASA Volunteers and system professionals to advocate in the best interest of children. Finally, the campaign will secure the future of ProKids by investing in its sustainability and ensuring continuation of ProKids work to break the vicious cycle of abuse and neglect. ProKids estimates completion of the build out and move in October 2023.

Note 13 – Paycheck Protection Program Loan

The Organization qualified for and received a loan pursuant to the Paycheck Protection Program (the “Program”) a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security’s Act, from a qualified lender (the “PPP Lender”), for an aggregate principal amount of \$426,700 (the “PPP Loans”). The PPP Loans bear interest at a fixed rate of 1.00% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal of the PPP Loan is subject to forgiveness under the Program upon the Organization’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Program. On September 13, 2021, the Organization received notice from the bank that the loans were fully forgiven and used in accordance with program requirements. Accordingly, the full amount was recognized as forgiveness of PPP loan revenue in 2021.