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College Diabetes Network, Inc.

Financial Statements

December 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors
College Diabetes Network, Inc.

Opinion

We have audited the accompanying financial statements of College Diabetes Network, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 the Organization's 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 the Organization's 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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
August 5, 2022

December 31	**2021**	2020
Assets		
Current Assets:		
Cash	**$ 1,692,020**	$ 1,474,410
Current Portion of Contributions Receivable, Net of Allowance for Doubtful Accounts of $2,500	**225,226**	145,044
Prepaid Expenses	**7,155**	6,571
Security Deposits	**275**	275
Total Current Assets	**1,924,676**	1,626,300
Contributions Receivable, Net of Current Portion	**60,740**	90,000
Definite-Lived Intangible Assets, Net of Accumulated Amortization	**19,663**	43,920
Trademarks	**8,047**	8,047
Total Assets	**$ 2,013,126**	$ 1,768,267
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	**$ 14,700**	$ 16,209
Accrued Expenses	**23,083**	18,447
Total Current Liabilities	**37,783**	34,656
Long-Term Debt – Paycheck Protection Program	**150,920**	150,500
Total Liabilities	**188,703**	185,156
Net Assets:		
Net Assets without Donor Restrictions	**1,001,199**	911,087
Net Assets with Donor Restrictions	**823,224**	672,024
Total Net Assets	**1,824,423**	1,583,111
Total Liabilities and Net Assets	**$ 2,013,126**	$ 1,768,267

For the Years Ended December 31		**2021**			2020	
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	**$ 161,367**	**$ 1,286,600**	**$ 1,447,967**	$ 75,621	$ 1,242,500	$ 1,318,121
Donated Goods and Services	**6,237**	**-**	**6,237**	9,181	-	9,181
Contract Revenue	**6,150**	**-**	**6,150**	6,145	-	6,145
Interest and Other Income	**1,139**	**-**	**1,139**	3,363	-	3,363
Net Assets Released from Restriction	**1,135,400**	**(1,135,400)**	**-**	1,204,226	(1,204,226)	-
Total Revenue and Other Support	**1,310,293**	**151,200**	**1,461,493**	1,298,536	38,274	1,336,810
Operating Expenses:						
Program Services	**932,803**	**-**	**932,803**	823,739	-	823,739
General and Administrative	**215,684**	**-**	**215,684**	140,888	-	140,888
Fundraising	**223,544**	**-**	**223,544**	174,352	-	174,352
Total Operating Expenses	**1,372,031**	**-**	**1,372,031**	1,138,979	-	1,138,979
(Decrease) Increase in Net Assets from Operations	**(61,738)**	**151,200**	**89,462**	159,557	38,274	197,831
Nonoperating Activities:						
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	**151,850**	**-**	**151,850**	-	-	-
Increase in Net Assets	**90,112**	**151,200**	**241,312**	159,557	38,274	197,831
Net Assets, Beginning of Year	**911,087**	**672,024**	**1,583,111**	751,530	633,750	1,385,280
Net Assets, End of Year	**$ 1,001,199**	**$ 823,224**	**$ 1,824,423**	$ 911,087	$ 672,024	$ 1,583,111

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

For the Years Ended December 31			2021					2020
	Program Services	**General and Administrative**	**Fundraising**	**Total**	Program Services	General and Administrative	Fundraising	Total
Personnel Expense	**$ 707,872**	**$ 99,107**	**$ 189,305**	**$ 996,284**	$ 621,220	$ 70,147	$ 146,947	$ 838,314
Professional Services	**137,186**	**88,196**	**9,731**	**235,113**	42,190	60,166	3,850	106,206
Communications and Outreach	**35,654**	**12,931**	**2,060**	**50,645**	90,829	222	883	91,934
Information Technology	**23,902**	**5,388**	**8,517**	**37,807**	18,100	2,390	6,566	27,056
Amortization	**17,231**	**2,414**	**4,611**	**24,256**	15,762	1,655	3,201	20,618
Other Expense	**4,602**	**4,863**	**9,112**	**18,577**	1,985	3,617	7,147	12,749
Chapter Grant and Stipends	**6,240**	**-**	**-**	**6,240**	5,963	-	-	5,963
Travel	**116**	**2,785**	**208**	**3,109**	3,868	189	920	4,977
Rent	**-**	**-**	**-**	**-**	23,822	2,502	4,838	31,162
Total	**$ 932,803**	**$ 215,684**	**$ 223,544**	**$ 1,372,031**	$ 823,739	$ 140,888	$ 174,352	$ 1,138,979

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

For the Years Ended December 31		**2021**		2020
Cash Flows from Operating Activities:				
Increase in Net Assets	**$**	**241,312**	$	197,831
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:				
Amortization		**24,257**		20,618
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program		**(151,850)**		-
Non-Cash Interest Expense		**1,350**		-
Increase in Contributions Receivable		**(50,922)**		(185,044)
(Increase) Decrease in Prepaid Expenses		**(584)**		416
(Decrease) Increase in Accounts Payable		**(1,509)**		7,898
Increase (Decrease) in Accrued Expenses		**4,636**		(44,041)
Net Cash Provided by (Used in) Operating Activities		**66,690**		(2,322)
Cash Flows from Investing Activities:				
Acquisition of Intangible Assets		**-**		(9,700)
Decrease in Security Deposits		**-**		3,336
Net Cash Used in Investing Activities		**-**		(6,364)
Net Cash Provided by Financing Activities:				
Borrowings from Long-Term Debt – Paycheck Protection Program		**150,920**		150,500
Net Increase in Cash		**217,610**		141,814
Cash, Beginning of Year		**1,474,410**		1,332,596
Cash, End of Year	**$**	**1,692,020**	$	1,474,410

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: College Diabetes Network, Inc. (the Organization) is a nonprofit organization, incorporated on June 3, 2010 in the Commonwealth of Massachusetts, that supports college students and young professionals with Type 1 diabetes. The Organization provides innovative peer-based programs that connect students and young professionals with diabetes and empower them to thrive.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

> *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed 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 Organization's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.
>
> *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described 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:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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.

Revenue and Other Support: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions.

1. Organization and Summary of Significant Accounting Policies (Continued):

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

The Organization generates revenue from various professional services. Revenue from these services is recognized when the service is performed.

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

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and contributions receivable. The Organization maintains its cash with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash. Contributions receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing of the donor's credit worthiness. As of each of the years ended December 31, 2021 and 2020, management has recorded an allowance for doubtful accounts in the amounts of $2,500.

1. Organization and Summary of Significant Accounting Policies (Continued):

Definite-Lived Intangible Assets: The Organization accounts for amortization using the straight-line method over the related assets' estimated useful lives, as follows:

Website Development Costs	3 Years
Internal-Use Software	3 Years

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2021 and 2020, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

Advertising Costs: The Organization expenses advertising costs as incurred. During the years ended December 31, 2021 and 2020, the Organization incurred advertising expense in the amounts of $1,705 and $5,020, respectively.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

Allocated expenses include rent and amortization, which have been allocated based upon time and effort.

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2021 and 2020, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of December 31, 2021 and 2020. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2021 through August 5, 2022, the date the financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use within one year of December 31, 2021 and 2020 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2021	2020
Cash	$ 1,692,020	$ 1,474,410
Contributions Receivable, Net of Allowance for Doubtful Accounts	285,966	235,044
Total Financial Assets at End of Year	1,977,986	1,709,454
Less: Amounts Unavailable for General Expenditures within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	60,740	90,000
Board Designations:		
Board Reserves	450,000	450,000
	510,740	540,000
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 1,467,246	$ 1,169,454

The Organization is substantially supported by restricted contributions. Although a donor's restrictions require resources to be used in a particular manner or in a future period, the Organization expects to use all of the unexpended donor restricted contributions within one year of the date of the statement of financial position, except for the portion related to long-term contributions receivable. Therefore, the net assets with donor restrictions are considered available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, if needed, the board could vote to release the above board designations such that those net assets could then be available to meet cash needed for general expenditures.

3. Contributions Receivable:

Contributions receivable as of December 31, 2021 and 2020 consists of the following:

	2021	2020
Receivable in Less than One Year	$ 227,726	$ 147,544
Receivable in One to Five Year	60,740	90,000
	288,466	237,544
Less: Allowance for Doubtful Accounts	2,500	2,500
	$ 285,966	$ 235,044

As of December 31, 2021 and 2020, the discount on long-term contributions receivable using a risk-adjusted rate based on the daily treasury yield curves was considered immaterial to the financial statements.

4. Intangible Assets:

As of December 31, 2021 and 2020, intangible assets consist of the following:

	2021	
	Cost	Accumulated Amortization
Intangibles Subject to Amortization:		
Internal Use Software Costs	$ 48,865	$ 48,865
Website	77,478	57,815
	126,343	106,680
Intangibles Not Subject to Amortization:		
Trademarks	8,047	-
Total Intangible Assets	$ 134,390	$ 106,680

	2020	
	Cost	Accumulated Amortization
Intangibles Subject to Amortization:		
Internal Use Software Costs	$ 48,865	$ 48,865
Website	77,478	33,558
	126,343	82,423
Intangibles Not Subject to Amortization:		
Trademarks	8,047	-
Total Intangible Assets	$ 134,390	$ 82,423

Amortization expense for the years ended December 31, 2021 and 2020 amounted to $24,257 and $20,618, respectively.

Future amortization expense related to intangible assets as of December 31, 2021 is as follows:

Year Ending December 31,	
2022	$ 14,455
2023	5,208
	$ 19,663

5. Long-Term Debt - Paycheck Protection Program:

CARES Act: On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On April 23, 2020, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (PPP Loan) in the amount of $150,500. The PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on April 23, 2022. The PPP loan was unsecured and guaranteed by the SBA. The PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining PPP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PPP Loan balance by the maturity date. On May 19, 2021, the Organization obtained from the SBA notification of forgiveness of the entire PPP loan balance plus accrued interest in the aggregate amount of $151,850, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities.

Consolidated Appropriations Act: On December 27, 2020, the Consolidated Appropriations Act was enacted and signed into law, which in part, was designated to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the Consolidated Appropriations Act and submitted a loan application with a qualified lender for funding under the PPP, administered by the SBA.

On March 17, 2021, the Organization's application with the lender was approved and as a result, the Organization obtained a second PPP loan (the Second PPP Loan) in the amount of $150,920. The Second PPP Loan bears fixed interest at 1.00% per annum, which begins accruing from the date of the loan, and matures on March 17, 2026. The Second PPP Loan is unsecured and guaranteed by the SBA. The Second PPP Loan is eligible to be forgiven provided the Organization satisfies certain conditions and upon approval by the lender and the SBA. The Second PPP Loan provides for the deferral of payments until the SBA has determined the forgiveness amount, at which time, any remaining loan amount requires equal monthly payments of principal plus accrued interest in an amount sufficient to repay the remaining Second PPP Loan balance by the maturity date. As of December 31, 2021, the outstanding balance of the Second PPP Loan amounted to $150,920, which is classified as a long-term liability and is included in long-term debt - paycheck protection program in the accompanying statements of financial position.

On May 17, 2022, the Organization obtained from the SBA notification of forgiveness of the entire Second PPP Loan balance plus accrued interest in the aggregate amount of $152,706.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

6. Employee Retention Credit:

The Coronavirus Aid, Relief and Economic Security (CARES Act), as amended by the Consolidated Appropriations Act, the American Rescue Plan Act and the Infrastructure and Jobs Act, includes certain provisions for an employee retention credit (ERC). The ERC incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees through a fully refundable tax credit, which is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer.

6. Employee Retention Credit (Continued):

The ERC is equal to (i) 50% of the first $10,000 in qualified wages paid to each employee after March 12, 2020 and before January 1, 2021, with a maximum annual credit of $5,000 for each employee; and (ii) 70% of the first $10,000, per calendar quarter, in qualified wages paid to each employee between January 1, 2021 and December 31, 2021, with a maximum annual credit of $21,000 for each employee.

The Organization qualified for the ERC as it experienced a significant decline in gross receipts in 2021 as a result of the effects of the COVID-19 pandemic. A decline in gross receipts is defined as: (i) for 2020, 50% compared to the same calendar quarter in 2019; and (ii) for 2021, 20% compared to the same calendar quarter in 2019.

The Organization has elected to account for the ERC as a conditional government grant under the FASB's ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. As of December 31, 2021, the Organization has not fully satisfied the barriers to recognize the contribution receivable and corresponding contribution revenue as the Organization utilizes a professional employer organization (PEO) that restricts how and when organizations can apply for the ERC by amending its previously filed payroll tax filings to claim for the ERC. The Organization estimates it qualifies for approximately $142,000 in ERC funding, which will be recognized once the amended payroll tax filings has been made by the PEO.

7. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Undesignated	$ 551,199	$ 461,087
Board Reserves	450,000	450,000
	$ 1,001,199	$ 911,087

8. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Subject to Passage of Time	$ 823,224	$ 672,024

9. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2021 and 2020 consist of the following:

	2021	2020
Subject to Passage of Time	$ 1,135,400	$ 1,204,226

10. Donated Goods and Services:

The Organization receives donated goods and services. The estimated fair value for goods and services is determined by the donor or by management. During the years ended December 31, 2021 and 2020, donated goods and services consisted of the following:

	2021	2020
Legal	$ 6,237	$ -
Marketing and Outreach	-	9,181
	$ 6,237	$ 9,181

11. Operating Leases:

The Organization was party to an operating lease for office space, utilities and other amenities as a tenant-at-will. The lease agreement could be terminated by the Organization or the landlord with 30 days notice, and was terminated in August 2020. Under the terms of the lease agreement, the Organization was required to remit monthly rental payments in the amount of $5,119. During the year ended December 31, 2020, rent expense incurred under this agreement amounted to $31,162.

12. Economic Dependency:

During the years ended December 31, 2021 and 2020, the Organization received a substantial portion of its contributions from four and two donors, respectively. Contributions from these donors approximated 64% and 40% of the Organization's total contributions during the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, contributions receivable from three donors represented approximately 94% and 63%, each respectively, of the Organization's total contributions receivable.

13. Risks and Uncertainties:

On January 30, 2020, the World Health Organization (WHO) announced an international public health emergency related to the COVID-19 outbreak. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The impact of the COVID-19 outbreak has resulted in economic uncertainties. The extent to which the Organization’s financial results will be affected cannot be reasonably estimated at this time.

14. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2021 and 2020, no amounts have been accrued related to such indemnification provisions.