

**College Diabetes Network,
Inc. d/b/a The Diabetes Link**

Financial Statements

December 31, 2022 and 2021

	Page
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7



Independent Auditors' Report

To the Board of Directors
College Diabetes Network, Inc. d/b/a The Diabetes Link

Opinion

We have audited the accompanying financial statements of College Diabetes Network, Inc. d/b/a The Diabetes Link (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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, 2022 and 2021, 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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP
Tewksbury, Massachusetts
July 18, 2023

Statements of Financial Position

College Diabetes Network, Inc.
d/b/a The Diabetes Link

December 31	2022	2021
Assets		
Current Assets:		
Cash	\$ 1,483,852	\$ 1,692,020
Current Portion of Contributions Receivable, Net of Allowance for Doubtful Accounts of \$2,500	239,438	225,226
Prepaid Expenses	41,150	7,155
Security Deposits	275	275
Total Current Assets	1,764,715	1,924,676
Investments	249,888	-
Contributions Receivable, Net of Current Portion	30,229	60,740
Intangible Assets, Net of Accumulated Amortization	108,526	19,663
Trademarks	15,150	8,047
Total Assets	\$ 2,168,508	\$ 2,013,126
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 18,906	\$ 14,700
Accrued Expenses	22,951	23,083
Total Current Liabilities	41,857	37,783
Long-Term Debt – Paycheck Protection Program	-	150,920
Total Liabilities	41,857	188,703
Net Assets:		
Net Assets without Donor Restrictions	1,292,606	1,001,199
Net Assets with Donor Restrictions	834,045	823,224
Total Net Assets	2,126,651	1,824,423
Total Liabilities and Net Assets	\$ 2,168,508	\$ 2,013,126

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

Statements of Activities

**College Diabetes Network, Inc.
d/b/a The Diabetes Link**

For the Years Ended December 31
2022
2021

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	\$ 372,732	\$ 1,205,932	\$ 1,578,664	\$ 161,367	\$ 1,286,600	\$ 1,447,967
Contributions - Nonfinancial Assets	38,141	-	38,141	6,237	-	6,237
Contract Revenue	13,000	-	13,000	6,250	-	6,250
Interest and Other Income	3,012	-	3,012	1,039	-	1,039
Net Assets Released from Restriction	1,195,111	(1,195,111)	-	1,135,400	(1,135,400)	-
Total Revenue and Other Support	1,621,996	10,821	1,632,817	1,310,293	151,200	1,461,493
Operating Expenses:						
Program Services	1,000,181	-	1,000,181	932,803	-	932,803
General and Administrative	237,097	-	237,097	215,684	-	215,684
Fundraising	228,978	-	228,978	223,544	-	223,544
Total Operating Expenses	1,466,256	-	1,466,256	1,372,031	-	1,372,031
Loss on Disposal of Intangible Assets	16,380	-	16,380	-	-	-
Increase in Net Assets from Operations	139,360	10,821	150,181	(61,738)	151,200	89,462
Nonoperating Activities:						
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	152,705	-	152,705	151,850	-	151,850
Investment Loss, Net	(658)	-	(658)	-	-	-
Total Nonoperating Activities	152,047	-	152,047	151,850	-	151,850
Increase in Net Assets	291,407	10,821	302,228	90,112	151,200	241,312
Net Assets, Beginning of Year	1,001,199	823,224	1,824,423	911,087	672,024	1,583,111
Net Assets, End of Year	\$ 1,292,606	\$ 834,045	\$ 2,126,651	\$ 1,001,199	\$ 823,224	\$ 1,824,423

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

Statements of Functional Expenses

**College Diabetes Network, Inc.
d/b/a The Diabetes Link**

For the Years Ended December 31
2022
2021

	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Personnel Expense	\$ 760,258	\$ 100,766	\$ 176,386	\$ 1,037,410	\$ 707,872	\$ 99,107	\$ 189,305	\$ 996,284
Professional Services	46,369	100,621	4,073	151,063	137,186	88,196	9,731	235,113
Communications and Outreach	103,998	4,677	11,147	119,822	35,654	12,931	2,060	50,645
Travel	39,108	2,407	13,306	54,821	116	2,785	208	3,109
Information Technology	23,680	18,473	8,702	50,855	23,902	5,388	8,517	37,807
Other Expense	2,830	7,356	12,425	22,611	4,602	4,863	9,112	18,577
Amortization	12,829	2,797	2,939	18,565	17,231	2,414	4,611	24,256
Chapter Grant & Stipends	11,109	-	-	11,109	6,240	-	-	6,240
Total	<u>\$ 1,000,181</u>	<u>\$ 237,097</u>	<u>\$ 228,978</u>	<u>\$ 1,466,256</u>	<u>\$ 932,803</u>	<u>\$ 215,684</u>	<u>\$ 223,544</u>	<u>\$ 1,372,031</u>

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

For the Years Ended December 31	2022	2021
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 302,228	\$ 241,312
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Loss on Investments	3,516	-
Amortization	18,565	24,257
Gain on Extinguishment of Long-Term Debt – Paycheck Protection Program	(152,705)	(151,850)
Non-Cash Interest Expense	1,785	1,350
Loss on Disposal of Intangible Assets	16,380	-
Decrease (Increase) in Contributions Receivable	16,299	(50,922)
Increase in Prepaid Expenses	(33,995)	(584)
Increase (Decrease) in Accounts Payable	4,206	(1,509)
(Decrease) Increase in Accrued Expenses	(132)	4,636
Net Cash Provided by Operating Activities	176,147	66,690
Cash Flows from Investing Activities:		
Purchase of Investments	(333,358)	-
Acquisition of Intangible Assets	(130,911)	-
Proceeds from Sale of Investments	79,954	-
Net Cash Used in Investing Activities	(384,315)	-
Net Cash Provided by Financing Activities:		
Borrowings from Long-Term Debt - Paycheck Protection Program	-	150,920
Net (Decrease) Increase in Cash	(208,168)	217,610
Cash, Beginning of Year	1,692,020	1,474,410
Cash, End of Year	<u><u>\$ 1,483,852</u></u>	<u><u>\$ 1,692,020</u></u>

Supplemental Disclosure of Noncash Investing Activities:

During the year ended December 31, 2022, the Organization disposed of intangible assets with an original cost of \$134,390 and accumulated amortization of \$118,010, resulting in a loss on disposal in the amount of \$16,380.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: College Diabetes Network, Inc. d/b/a The Diabetes Link (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. Revenue represents amounts derived from contributions.

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.

Investments and Investment Income: The Organization's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

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

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, 2022 and 2021, management has recorded an allowance for doubtful accounts in the amounts of \$2,500.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

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	3-4 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, 2022 and 2021, the Organization evaluated its long-lived assets for impairment and determined that they were not impaired.

Advertising Costs: The Organization expenses advertising costs as incurred. During the years ended December 31, 2022 and 2021, the Organization incurred advertising expense in the amounts of \$3,645 and \$1,705, 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.

The expenses that are allocated include the following:

Expense	Method of Allocation
Communication and Outreach	Time and Effort
Travel	Time and Effort
Information Technology	Time and Effort
Other Expenses	Time and Effort
Amortization	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, 2022 and 2021, management believes that the Organization has not generated any unrelated business taxable income.

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

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, 2022 and 2021. 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, 2022 through July 18, 2023, the date the financial statements were available to be issued.

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*, which improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets. Effective January 1, 2022, the Organization adopted this ASU and retrospectively applied the provision of this ASU. The adoption of ASU 2020-07 had no impact on financial statement presentation when applied retrospectively to all periods presented.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use within one year of December 31, 2022 and 2021 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2022	2021
Cash	\$ 1,483,852	\$ 1,692,020
Contributions Receivable, Net of Allowance for Doubtful Accounts	269,667	285,966
Investments	249,888	-
Total Financial Assets at End of Year	2,003,407	1,977,986
Less: Amounts Unavailable for General Expenditures within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	30,229	60,740
Board Designations:		
Board Reserves	450,000	450,000
	480,229	510,740
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 1,523,178	\$ 1,467,246

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, 2022 and 2021 consists of the following:

	2022	2021
Receivable in Less than One Year	\$ 241,938	\$ 227,726
Receivable in One to Five Year	30,229	60,740
	272,167	288,466
Less: Allowance for Doubtful Accounts	2,500	2,500
	<u>\$ 269,667</u>	<u>\$ 285,966</u>

As of December 31, 2022 and 2021, 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. Fair Value Measurements:

The Organization did not have any investments as of December 31, 2021. Investments measured at fair value on a recurring basis as of December 31, 2022 are as follows:

	Fair Value Measurements at December 31, 2022			
	Totals	Level 1	Level 2	Level 3
Treasury Securities	\$ 181,719	\$ -	\$ 181,719	\$ -

Cash is not included in the fair value hierarchy with other investments. Cash classified as investments for the year ended December 31, 2022 amounted to \$68,169.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended December 31, 2022.

Treasury Securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This methodology included basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quotes prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Investments:

The Organization did not have any investments as of December 31, 2021. Investments as of December 31, 2022 consist of the following:

Treasury Securities	\$ 181,719
Cash Equivalents	68,169
	<u>\$ 249,888</u>

For the year ended December 31, 2022, net investment loss consists of the following:

Net Unrealized Losses	\$ (2,969)
Interest and Dividends	2,858
Net Realized Losses	<u>(547)</u>
	<u>\$ (658)</u>

6. Intangible Assets and Trademarks:

As of December 31, 2022 and 2021, intangible assets consist of the following:

	2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangibles Subject to Amortization:			
Website Development Costs	\$ 115,761	\$ 7,235	\$ 108,526
Intangibles Not Subject to Amortization:			
Trademarks	15,150	-	15,150
Total Intangible Assets	<u>\$ 130,911</u>	<u>\$ 7,235</u>	<u>\$ 123,676</u>
	2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangibles Subject to Amortization:			
Website Development Costs	\$ 77,478	\$ 57,815	\$ 19,663
Internal-Use Software	48,865	48,865	-
	126,343	106,680	19,663
Intangibles Not Subject to Amortization:			
Trademarks	8,047	-	8,047
Total Intangible Assets	<u>\$ 134,390</u>	<u>\$ 106,680</u>	<u>\$ 27,710</u>

Amortization expense for the years ended December 31, 2022 and 2021 amounted to \$18,565 and \$24,257, respectively.

6. Intangible Assets and Trademarks (Continued):

Future amortization expense related to intangible assets as of December 31, 2022 is as follows:

<u>Year Ending December 31,</u>	
2023	\$ 28,940
2024	28,940
2025	28,940
2026	<u>21,706</u>
	<u>\$ 108,526</u>

7. 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 loan (the Second PPP Loan) in the amount of \$150,920. The Second 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 March 17, 2026. The Second PPP loan was unsecured and guaranteed by the SBA. The Second PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The Second PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining Second PPP Loan balance by the maturity date. 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 \$152,705, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities.

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.

8. 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. 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 September 30, 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*. During the year ended December 31, 2022, the Organization fully satisfied the barriers to recognize the contribution revenue in the amount of \$143,138. As of December 31, 2021, the Organization has not fully satisfied the barriers 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. As of December 31, 2022, the Organization has outstanding ERC in the amount of \$143,138 which is included in contributions receivable on the accompanying statements of financial position.

9. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Undesignated	\$ 842,606	\$ 551,199
Board Reserves	450,000	450,000
	<u>\$ 1,292,606</u>	<u>\$ 1,001,199</u>

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Subject to Passage of Time	\$ 834,045	\$ 823,224

11. 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, 2022 and 2021 consist of the following:

	2022	2021
Subject to Passage of Time	\$ 1,195,111	\$ 1,135,400

12. Contributions - Nonfinancial Assets:

The Organization received contributed nonfinancial assets and services recognized as revenue and other support within the statements of activities. The contributed nonfinancial assets did not have donor-imposed restrictions. During the years ended December 31, 2022 and 2021, contributed nonfinancial assets consisted of the following:

	2022	2021
Conference Fees and Trade Show Goods	\$ 21,350	\$ -
Legal Services	16,791	6,237
	\$ 38,141	\$ 6,237

Contributed nonfinancial assets recognized consist of legal services and donated conference fees and trade show goods. Contributed nonfinancial assets are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services and prevailing for conference attendance.

13. Economic Dependency:

During the years ended December 31, 2022 and 2021, the Organization received a substantial portion of its contributions from two and four donors, respectively. Contributions from these donors approximated 37% and 64% of the Organization's total contributions during the years ended December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, contributions receivable from two and three donors represented approximately 71% and 94%, each respectively, of the Organization's total contributions receivable.

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, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.