Boston Landmarks Orchestra, Inc.

Financial Statements
and Independent Auditor's Report

December 31, 2021

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Boston Landmarks Orchestra, Inc.

Index

Independent Auditor's Report

To the Board of Directors of
Boston Landmarks Orchestra, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boston Landmarks Orchestra, Inc. (a nonprofit organization), (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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 ("GAAS"). 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 the Organization 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on October 15, 2021. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.

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 GAAS 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 GAAS, 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.

CohnReznick LLP

Braintree, Massachusetts
October 11, 2022

Boston Landmarks Orchestra, Inc.

Statement of Financial Position
As of December 31, 2021
with Comparative Totals as of December 31, 2020

	2021	2020
Current assets		
Cash and cash equivalents	$ 1,168,279	$ 937,065
Promises to give, net	90,000	18,335
Prepaid expenses	9,000	15,125
Total current assets	1,267,279	970,525
Fixed assets		
Furniture and equipment	65,612	80,411
Less accumulated depreciation	(60,874)	(61,650)
Total net fixed assets	4,738	18,761
Total assets	$ 1,272,017	$ 989,286
Current liabilities		
Capital lease obligation, current portion	$ -	$ 3,700
Accounts payable	5,699	19,882
Accrued expenses	19,994	15,621
Note payable - Paycheck Protection Program	111,379	49,300
Total current liabilities	137,072	88,503
Long-term liabilities		
Capital lease obligation, net of current portion	-	5,742
Total liabilities	137,072	94,245
Net assets		
Net assets without donor restrictions	1,019,945	876,706
Net assets with donor restrictions	115,000	18,335
Total net assets	1,134,945	895,041
Total liabilities and net assets	$ 1,272,017	$ 989,286

See Notes to Financial Statements.

Boston Landmarks Orchestra, Inc.

Statement of Activities
As of December 31, 2021
with Comparative Totals for the Year Ended December 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021 Total	2020 Total
Support and revenue				
Support				
Individual contributions	$ 307,595	$ -	$ 307,595	$ 265,452
Foundation grants	544,250	115,000	659,250	426,000
Corporate sponsorships	80,135	-	80,135	7,516
Special events	-	-	-	135,405
Government grants	171,539	-	171,539	65,250
Revenue				
Concert performance fees	21,509	-	21,509	-
CD sales and chair rental fees	3,195	-	3,195	-
Other	10,449	-	10,449	-
Investment return	8,722	-	8,722	4,622
Released from restriction - time	18,335	(18,335)	-	-
Total support and revenue	1,165,729	96,665	1,262,394	904,245
Expenses				
Program services	865,897	-	865,897	507,088
General and administrative	154,121	-	154,121	158,577
Fundraising	126,909	-	126,909	132,554
Total expenses	1,146,927	-	1,146,927	798,219
Change in net assets from operations	18,802	96,665	115,467	106,026
Non-operating revenue				
Employee retention tax credit	75,137	-	75,137	-
Forgiveness of note payable - Paycheck Protection Program	49,300	-	49,300	-
Total non-operating revenue	124,437	-	124,437	-
Change in net assets	143,239	96,665	239,904	106,026
Net assets at beginning of year	876,706	18,335	895,041	789,015
Net assets at end of year	$ 1,019,945	$ 115,000	$ 1,134,945	$ 895,041
			-	

See Notes to Financial Statements.

Boston Landmarks Orchestra, Inc.

Statement of Functional Expenses
As of December 31, 2021
with Comparative Totals for the Year Ended December 31, 2020

	Program Services	General and Administrative	Fundraising	2021 Total	2020 Total
Salaries	$ 398,559	$ 37,997	$ 62,879	$ 499,435	$ 311,614
Payroll taxes	36,668	3,496	5,785	45,949	28,155
Benefits	39,432	3,759	6,221	49,412	28,860
Total salaries and related taxes and benefits	474,659	45,252	74,885	594,796	368,629
Advertising	6,536	-	-	6,536	2,079
Bank charges	14	1,047	3,417	4,478	5,465
Consultants	700	1,990	36,031	38,721	39,620
Contracted services	264,266	5,400	-	269,666	170,004
Depreciation	3,821	364	603	4,788	8,799
Dues and fees	2,546	5,808	719	9,073	8,299
Equipment rental	-	-	-	-	935
Insurance	9,018	860	1,423	11,301	5,319
Miscellaneous	3,341	18,715	751	22,807	20,587
Office supplies	380	1,736	178	2,294	1,864
Payroll processing fees	2,080	198	328	2,606	1,670
Performance space rental	3,546	-	-	3,546	35,978
Postage	517	459	503	1,479	2,465
Printing	-	771	1,113	1,884	3,828
Production expenses	77,528	-	-	77,528	62,684
Professional fees	-	40,584	-	40,584	16,256
Rent	6,061	578	956	7,595	8,714
Special events	-	119	674	793	1,484
Storage rental	4,776	6,368	-	11,144	9,638
Technology	205	21,446	4,395	26,046	13,265
Telephone	-	60	-	60	2,892
Travel and meals	5,903	178	33	6,114	2,396
Utilities	-	-	-	-	488
Website	-	2,188	900	3,088	4,861
Total	$ 865,897	$ 154,121	$ 126,909	$ 1,146,927	$ 798,219

See Notes to Financial Statements.

Boston Landmarks Orchestra, Inc.

Statement of Cash Flows
As of December 31, 2021
with Comparative Totals for the Year Ended December 31, 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 239,904	$ 106,026
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Forgiveness of note payable - Paycheck Protection Program	(49,300)	-
Loss on disposal of fixed assets	5,423	-
Depreciation	4,788	8,799
Net unrealized and realized gains on investments	(6,793)	-
Decrease (increase) in assets		
Promises to give	(90,000)	38,265
Accounts receivable	18,335	56,430
Prepaid expenses	6,125	(8,083)
Security deposit	-	5,434
Increase (decrease) in liabilities		
Accounts payable	(14,183)	6,136
Accrued expenses	4,373	(581)
Net cash provided by operating activities	118,672	212,426
Cash flows from investing activities		
Purchase of fixed assets	(3,748)	-
Proceeds from the sale of investments	114,429	-
Purchase of investments	(107,636)	-
Net cash provided by investing activities	3,045	-
Cash flows from financing activities		
Repayments of capital lease obligations	(1,882)	(5,756)
Proceeds from notes payable - Paycheck Protection Program	111,379	49,300
Net cash provided by financing activities	109,497	43,544
Net increase in cash and cash equivalents	231,214	255,970
Cash and cash equivalents - beginning	937,065	681,095
Cash and cash equivalents - end	$ 1,168,279	$ 937,065
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ -	$ 935
Supplemental data for noncash investing and financing activities		
Forgiveness of note payable - Paycheck Protection Program	$ 49,300	$ -
Fixed assets disposed of prior to capital lease maturity	$ 18,457	$ -

See Notes to Financial Statements.

Note 1 - Summary of significant accounting policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies followed by Boston Landmarks Orchestra, Inc. (the "Organization") are described below to enhance the usefulness of the financial statements to the reader.

Nature of activities
The Organization was founded in 2001. The Organization's orchestra is comprised of all professional musicians and is active throughout the neighborhoods of Boston, Massachusetts. The Organization's mission is to perform free summer concerts in settings of historical, geographical and architectural significance in the Boston area.

Basis of presentation
The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating and nonoperating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts. Nonoperating revenues consists of forgiveness of debt and employee retention tax credit revenue, see Notes 5 and 6.

Standards of accounting and reporting
The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Board of Directors.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Cash and cash equivalents
The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Organization maintains its cash balances at several financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2021.

Revenue recognition
The Organization earns revenue as follows:

The Organization generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Individual Contributions, Foundation Grants and Corporate Sponsorships - In accordance with Accounting Standards Codification ("ASC") Sub Topic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) 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 barrier, 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. Topic 958 prescribes that the Organization should not 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.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

The Organization recognized $75,137 in Employee Retention Tax Credit revenue during the year ended December 31, 2021. Revenue was recognized in accordance with ASC Sub Topic 958-605. See Note 6 for further details.

Special Events - Special event revenue is primarily derived from contributions collected and fees charged for admission at the Organization's annual gala. Special events revenue is recognized when earned and is shown separate of related direct expenses in the accompanying statement of activities. The related cost of direct benefit to donors were immaterial for the year ended December 31, 2021. The annual gala for 2021 was cancelled.

Government Grants - Federal and state contracts that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, are recognized as the work under the contract is performed. Contracts that are considered nonreciprocal transactions that further the programs of the Organization are recorded when the Organization receives notification of the contract, or if, conditions for performance are imposed, revenue is recognized when conditions have been met. Government grants relate to cost-reimbursement contracts with governmental agencies. Revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental agency.

<u>Concert Performance Fees</u> - Concert performance fees are primarily derived from fees the Organization charges to provide concert performances for other organizations. Revenue derived from these events are recognized as income when the orchestra performs.

All of the Organization's revenue is derived from its activities in Massachusetts. Revenue from one foundation approximated 25% of revenue for the year ended December 31, 2021. All revenue is recorded at the estimated net realizable amounts.

Promises to give
Conditional promises to give are not recognized in the financial statements until the conditions are substantially 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 more than one year are recorded at fair value, which is measured as the present value of their 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. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of December 31, 2021, management has determined any allowance would be immaterial. All promises to give as of December 31, 2021 are due within one year.

Furniture and equipment
Furniture and equipment are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation using the straight-line method over the estimated lives for furniture and equipment of three to five years.

Fundraising
Fundraising relates to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage of total contributions and special event revenue was 12% for the year ended December 31, 2021. The ratios of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

Functional allocation of expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time charges. Occupancy costs are allocated based upon the salary allocation.

Use of estimates
In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Investments
The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses. Investments are exposed to risks such as interest rate, credit and overall market volatility. All investments were bought and sold during the year ended December 31, 2021.

Income taxes
The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is generally not subject to income tax. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1) of the IRC.

Summarized financial information for 2020
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Paycheck protection program loans
As described at Note 5, the Organization received two Paycheck Protection Program ("PPP") loans in the amount of $111,379 and $49,300, respectively, during the years ended December 31, 2021 and 2020, respectively. The Organization has elected to follow the guidance regarding Debt found in Financial Accounting Standards Board ("FASB") ASC 470 - *Not-for-Profit-Entities - Debt*, to

account for its PPP loans. During the year ended December 31, 2021, the first loan was forgiven. During the year ended December 31, 2021, the Organization recognized $111,379 of debt.

Recent accounting standards
In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)* and *Leases (Topic 842)*. ASU 2020-05 deferred the implementation date of ASU 2016-02 and ASU 2014-09 by one year. The Organization has adopted ASU 2014-09 in a prior year. ASU 2016-02 is described below.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU was set to be effective on January 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In July 2018, FASB issued ASU 2018-10, Codification Improvements to Topic 842, *Leases and ASU 2018-11*, Leases (Topic 842), *Targeted Improvements*. In December 2019, FASB issued ASU 2018-20, Leases (Topic 842), *Narrow-Scope Improvements for Lessors*. Adoption of these ASUs will run concurrent with the Organization's adoption of ASU 2016-02.

Note 2 - Net assets with donor restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of December 31, 2021, net assets with donor restrictions amounted to $90,000 which are restricted due to time restrictions for use during 2022.

Net assets released from restrictions during the year ended December 31, 2021 were $18,335, of which all was from time restrictions.

Note 3 - Capital lease obligations

The Organization leased office equipment under a capital lease arrangement. The economic substance of the lease was that the Organization was financing the acquisition of an asset through the lease and, accordingly, it was recorded on the statement of financial position. Capital leases are recorded at the lower of fair market value or the present value of future lease payments using interest rates appropriate at the inception of each lease. The Organization returned the asset and Bostobought out the balance of the lease during the year ended December 31, 2021 resulting in an immaterial loss on disposal of fixed assets.

Note 4 - Liquidity and availability of resources

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end:		
Cash and cash equivalents	$	1,168,279
Promises to give		90,000
Total		1,258,279
Less: financial assets not available for general expenditures:		
Restricted by donors for specific purposes		25,000
Total		25,000
Financial assets available to meet cash needs for general expenditures within one year	$	1,233,279

The Organization is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure 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 come due.

Note 5 - Note payable - PPP

The Organization received a PPP loan from Century Bank during the year ended December 31, 2020 in the original amount of $49,300 with a maturity date of May 2022. The loan was forgiven during the year ended December 31, 2021, which has been reported as nonoperating revenue on the accompanying statement of activities in a total amount of $49,300. The Organization received a second PPP loan during the year ended December 31, 2021, in the amount of $111,379, with a maturity date of February 2023. The PPP loans bear interest at a rate of 1%, which is deferred for the first six months. Management has received full forgiveness of the second loan subsequent to year end, see Note 8, and, therefore, the loan has been presented as a current liability on the statement of financial position in keeping with the current accounting practice in the industry. The Small Business Administration ("SBA") has disclosed criteria for forgiveness which include but are not limited to maintaining the full-time equivalent number of employees over a certain time period and expending the funds on eligible expenses over the covered period. The Organization recognizes forgiveness of the loans in full or in part when the SBA determines the amount of forgiveness and notifies the Organization.

Note 6 - Employee Retention Tax Credit

The Organization qualified for the Employee Retention Tax Credit ("ERTC"), a refundable tax credit against certain employment taxes equal to 50% or 70% of the qualified wages an eligible employer pays during a specified period. As described in Note 1(e), the Organization is accounting for the

ERTC in accordance with ASC Sub Topic 958-605. The Organization believes that all conditions of the contribution have been met as of December 31, 2021 and has recorded the revenue in the amount of $75,137 which is included in nonoperating revenue on the accompanying statements of activities.

Note 7 - COVID-19

Risks and uncertainties

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. As described in Notes 1(o) and 5, the Organization received two PPP loans. Further, the Organization's liquidity as of December 31, 2021 is documented at Note 5. As described in Notes 1(e) and 6, the Organization received additional ERTC funding. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Organization's operations continue for an extended period of time the Organization may have to seek alternative measures to finance its operations. The Organization does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity, as the Organization has been able to adjust operations due to the pandemic including aligning expenses to reduced revenue during the period of the pandemic.

Note 8 - Subsequent events

The Organization has performed an evaluation of subsequent events through October 11, 2022 which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021, other than the item disclosed below, that required recognition or disclosure in these financial statements.

On March 28, 2022, the Organization received approval from the SBA for full forgiveness on the second PPP loan.

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