



Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities and Changes in Net Assets - 2019	4
Consolidated Statement of Activities and Changes in Net Assets - 2018	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 14

Independent Auditor's Report

**To the Board of Directors
Splash and Subsidiaries
Seattle, Washington**

We have audited the accompanying consolidated financial statements of Splash and its Subsidiaries (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, consolidated functional expenses, and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019 and 2018, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Clark Nuber P.S.

Certified Public Accountants
September 23, 2020

SPLASH AND SUBSIDIARIES

Consolidated Statements of Financial Position December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 3,258,319	\$ 1,419,223
Grants and pledges receivable, current portion	1,916,139	252,396
Other receivables, current portion	93,259	70,441
Advances to programmatic partners	166,371	10,127
Prepaid expenses	30,146	37,889
Water purification systems and supplies	<u>167,108</u>	<u>170,357</u>
Total Current Assets	5,631,342	1,960,433
Grants and pledges receivable, net of current portion	2,013,161	1,482,953
Other receivables, net of current portion	90,605	66,300
Property and equipment, net	81,916	24,738
Security deposits	<u>117,532</u>	<u>46,764</u>
Total Assets	<u>\$ 7,934,556</u>	<u>\$ 3,581,188</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 298,265</u>	<u>\$ 159,156</u>
Total Current Liabilities	298,265	159,156
Program related investment note	<u>47,400</u>	<u>50,000</u>
Total Liabilities	345,665	209,156
Net Assets:		
Without donor restrictions	1,165,744	697,229
With donor restrictions	<u>6,423,147</u>	<u>2,674,803</u>
Total Net Assets	<u>7,588,891</u>	<u>3,372,032</u>
Total Liabilities and Net Assets	<u>\$ 7,934,556</u>	<u>\$ 3,581,188</u>

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions and grants	\$ 1,452,467	\$ 8,338,550	\$ 9,791,017
Other revenue	2,441		2,441
Special events revenue, net	129,686		129,686
Net assets released from restriction	4,590,206	(4,590,206)	
Total Revenue and Support	6,174,800	3,748,344	9,923,144
Expenses:			
Program services	4,119,199		4,119,199
Management and general	911,008		911,008
Fundraising	676,078		676,078
Total Expenses	5,706,285		5,706,285
Change in Net Assets	468,515	3,748,344	4,216,859
Net assets, beginning of year	697,229	2,674,803	3,372,032
Net Assets, End of Year	\$ 1,165,744	\$ 6,423,147	\$ 7,588,891

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions and grants	\$ 2,994,746	\$ 3,067,759	\$ 6,062,505
Other revenue	5,664		5,664
Special events revenue, net	14,108		14,108
Net assets released from restriction	<u>1,007,577</u>	<u>(1,007,577)</u>	
Total Revenue and Support	4,022,095	2,060,182	6,082,277
Expenses:			
Program services	2,508,370		2,508,370
Management and general	758,708		758,708
Fundraising	<u>532,072</u>		<u>532,072</u>
Total Expenses	<u>3,799,150</u>		<u>3,799,150</u>
Change in Net Assets	222,945	2,060,182	2,283,127
Net assets, beginning of year	<u>474,284</u>	<u>614,621</u>	<u>1,088,905</u>
Net Assets, End of Year	<u>\$ 697,229</u>	<u>\$ 2,674,803</u>	<u>\$ 3,372,032</u>

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2019 and 2018**

	For the Year Ended December 31, 2019			
	Program Services	Management and General	Fundraising	Total
Compensation	\$ 1,665,396	\$ 494,989	\$ 499,861	\$ 2,660,246
Programmatic partner fees	761,514			761,514
WASH implementation	610,294			610,294
Other professional fees	366,970	173,624	9,466	550,060
IT and communications	197,876	91,147	48,911	337,934
Travel and meetings	198,511	45,693	35,518	279,722
Occupancy	140,255	74,853	35,457	250,565
Other	100,987	14,456	54,124	169,567
Supplies	57,734	10,080	9,058	76,872
Depreciation	19,662	6,166	2,921	28,749
Total Expenses	4,119,199	911,008	695,316	5,725,523
Less special event			(19,238)	(19,238)
Total Expenses, Net of Special Events	\$ 4,119,199	\$ 911,008	\$ 676,078	\$ 5,706,285
	For the Year Ended December 31, 2018			
	Program Services	Management and General	Fundraising	Total
Compensation	\$ 1,215,304	\$ 321,618	\$ 394,904	\$ 1,931,826
Programmatic partner fees	471,100			471,100
WASH implementation	403,016			403,016
Other professional fees		146,231	72,508	218,739
IT and communications	15,965	35,573	782	52,320
Travel and meetings	178,508	28,186	68,545	275,239
Occupancy	149,911	40,209	30,308	220,428
Other	37,380	22,656	14,084	74,120
Supplies	25,707	154,317	2,727	182,751
Depreciation	11,479	9,918		21,397
Total Expenses	2,508,370	758,708	583,858	3,850,936
Less special event			(51,786)	(51,786)
Total Expenses, Net of Special Events	\$ 2,508,370	\$ 758,708	\$ 532,072	\$ 3,799,150

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statements of Cash Flows
For the Year Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,216,859	\$ 2,283,127
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	28,749	21,397
Multi-year in-kind contributions	(47,123)	(13,441)
Changes in assets and liabilities:		
Grants and pledges receivable	(2,193,951)	(1,625,488)
Accounts receivable		54,903
Advances to programmatic partners	(156,244)	11,147
Prepaid expenses	7,743	18,508
Water purification systems and supplies	3,249	9,553
Security deposits	(70,768)	
Accounts payable and accrued expenses	139,109	93,274
Deferred revenue		(6,714)
Net Cash Provided by Operating Activities	1,927,623	846,266
Cash Flows From Investing Activity:		
Purchase of property and equipment	(85,927)	(23,495)
Net Cash Used in Investing Activity	(85,927)	(23,495)
Cash Flows From Financing Activity:		
Cash (paid) received for program related investment note	(2,600)	50,000
Net Cash (Used by) Provided by Financing Activity	(2,600)	50,000
Net Change in Cash and Cash Equivalents	1,839,096	872,771
Cash and cash equivalents balance, beginning of year	1,419,223	546,452
Cash and Cash Equivalents Balance, End of Year	\$ 3,258,319	\$ 1,419,223

See accompanying notes.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 1 - Organization and Summary of Accounting Policies

Organization - The mission of Splash is to ensure clean water for kids. Splash delivers child-focused water, sanitation, hygiene (WASH), and menstrual health programs in partnership with governments in some of the largest, low resource cities in Asia and Africa. Splash focuses on child-serving institutions including schools, orphanages, shelters, and hospitals to help kids lead healthier lives. Since 2007, Splash has completed 1,937 projects across Bangladesh, Cambodia, China, Ethiopia, India, Nepal, Thailand and Vietnam, serving more than 600,000 children daily (unaudited). Splash's goal is to reach one million children by 2023.

In June 2018 and January 2019 respectively, Splash formed Splash Social Enterprises LLC (SSE) and SSE Water Solutions Private Ltd (SSEWS), with Splash as the controlling member of each. Both entities are social enterprises that allow Splash to expand its impact by selling Splash's patented drinking and handwashing stations to non-profit and government customers. These innovative, durable, and unique stations are designed for use in institutional settings around the world.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Splash, SSE and SSEWS (collectively, the Organization) after elimination of inter-entity accounts and activity.

Basis of Presentation - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets and revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or through the passage of time.

Revenue Recognition - Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on the sale of assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Unconditional contributions and grants, including unconditional pledges when promised, are recognized as revenue in the period received at their fair value. Conditional contributions and grants are recognized as revenue at the time the conditions have been satisfied.

Grants and Pledges Receivable - Unconditional promises to give (pledges receivable) are recognized as revenue in the period received. Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 1 - Continued

Grants receivable are stated at the amount management expects to realize from outstanding balances. Grants receivable consist primarily of amounts due from donors for which conditions have been satisfied for grants awarded. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to grants and pledges receivable. A valuation allowance was not deemed necessary at December 31, 2019 and 2018.

Conditional Promises to Give - Conditional promises to give are recognized as revenue only when the conditions upon which they depend are substantially met. Outstanding conditional promises to give totaled \$556,217 and \$410,985 as of December 31, 2019 and 2018, respectively, and are intended to be used for WASH implementation. The outstanding conditional pledges are expected to be recognized as revenue during the next two years. Additionally, Splash has received written indications from two donors of the intention to make additional grants totaling \$14,269,989 and \$0 as of December 31, 2019 and 2018, respectively. These anticipated grants are intended to be used for WASH implementation and are expected to be recognized as revenue during the next four years.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Advances to Programmatic Partners - Advances to programmatic partners consist of cash advanced to project partners to fund WASH implementation projects.

Other Receivables - Other receivables consist of donated software licenses and training vouchers. The licenses are for terms of two to three years, and the training vouchers may be used as desired.

Water Purification Systems and Supplies - The Organization purchases and holds water purification systems and related hardware. These supplies are reported on the consolidated statements of financial position at cost and are expensed upon installation on a first-in, first-out basis. Water purification systems and supplies are assessed for impaired value annually.

Property, Equipment and Depreciation - All acquisitions of furniture, fixtures and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets ranging from three to five years.

Program Related Investment Note - A program related investment note was obtained on August 27, 2018 by SSE. The loan was provided to help SSE begin producing low-cost, high quality water stations designed for children in urban settings in Asia and Africa, thereby assisting children living in low-income and lower-middle income countries. The loan is in the amount of \$50,000 and is interest free. Beginning November 14, 2019, quarterly principal payments are due in the amount of 4% of product sales revenue generated by SSE during the prior quarter. Any unpaid principal remaining will become due in its entirety when the loan matures on September 30, 2022. U.S. GAAP requires that interest expense be imputed for interest free or below market interest rate loans. Based on the indeterminable payment schedule and the stated term of the loan, management has determined the estimated imputed interest at December 31, 2019 and 2018 and the interest expense for the years ended December 31, 2019 and 2018 are immaterial.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 1 - Continued

The loan has certain nonfinancial restrictive covenants. The Organization was in compliance with these covenants as of December 31, 2019 and 2018.

In-Kind Goods and Services - The Organization recognizes in-kind contributions of goods and services at fair value on the date received. The Organization recognizes donated services if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not donated. In-kind goods and services consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Software licenses and training	\$ 129,275	\$ 104,170
Consulting services	6,958	
Goods and supplies		10,828
Annual fundraiser gifts in kind		<u>3,788</u>
Total Donated Goods and Services	<u>\$ 136,233</u>	<u>\$ 118,786</u>

Use of Estimates - The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status - The Internal Revenue Service has determined that Splash is exempt from U.S. income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. SSE is a disregarded entity for federal tax purposes. SSEWS is subject to taxation laws in India.

Foreign Currency Translation - The functional currency of the Organization's field offices is the local currency in which the office is located. Assets and liabilities of the offices have been translated into U.S. dollars at year end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. Translation adjustments are included in the consolidated statements of activities and changes in net assets and were immaterial for the years ended December 31, 2019 and 2018.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses related to headquarters staff who serve multiple functions are allocated based on estimates of time spent on various programs, fundraising and other. Airfare when travelling to multiple countries on one trip is allocated based on the number of days stayed in each country.

Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist primarily of cash. Cash held by financial institutions exceeded federally insured limits during the years ended December 31, 2019 and 2018. Cash held in foreign countries totaled \$41,741 and \$18,853 as of December 31, 2019 and 2018, respectively. Repatriation of funds restrictions may exist in a small number of foreign currency accounts. The Organization has not experienced any losses in such accounts and closely monitors its cash and cash equivalents.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 1 - Continued

For the years ended December 31, 2019 and 2018, 65% of contributions and grants were from two donors and 66% of contributions and grants were from three donors, respectively. Additionally, as of December 31, 2019 and 2018, 64% of outstanding grants and pledges receivables were from two donors and 82% of outstanding grants and pledges receivable were from one donor, respectively.

Legal Matters - Under the terms of certain grant agreements, funds the Organization receives are subject to audits by the grantors, and funds not spent in accordance with the intent of the agreements may be recoverable by the grantors. In the opinion of management, the Organization's liability, if any, resulting from such claims will not materially affect the Organization's financial position or the results of its activities.

Note 2 - Grants and Pledges Receivable

Grants and pledges receivable consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Due in less than one year	\$ 1,916,139	\$ 252,396
Due in two to five years	<u>2,101,666</u>	<u>1,579,708</u>
Total grants and pledges receivable	4,017,805	1,832,104
Less discount	<u>(88,505)</u>	<u>(96,755)</u>
Grants a Pledges Receivable, Net	<u>\$ 3,929,300</u>	<u>\$ 1,735,349</u>

The discount rate used by the Organization ranged from 1.55% to 2.73% based on the discount rate at the time the grant or pledge was received.

Note 3 - Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Vehicles	\$ 93,952	\$ 55,124
Computer equipment	7,094	7,094
Furniture and fixtures	5,136	5,136
Leasehold improvements	<u>47,099</u>	<u> </u>
Total property and equipment	153,281	67,354
Less accumulated depreciation	<u>(71,365)</u>	<u>(42,616)</u>
Property and Equipment, Net	<u>\$ 81,916</u>	<u>\$ 24,738</u>

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 4 - Line of Credit

In September 2015 the Organization obtained a revolving line of credit with a bank (the Bank) that allows for borrowings up to \$200,000. Interest accrues at 2.5% over prime rate, as determined by the Bank, and is payable monthly beginning October 20, 2015. Upon written notice to the Organization, the Bank may terminate its obligation to make revolving advances under the line of credit and convert the line of credit to a term note. As of December 31, 2019 and 2018, there was no outstanding balance due on the line of credit. The line of credit is secured by substantially all assets of the Organization.

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of contributions restricted by donors for WASH implementation projects in foreign countries and donated software licenses that will be used in future years. The release of net assets with donor restrictions for the year ended December 31, 2019 totaled \$4,531,790 for WASH implementation and \$58,416 for the use of software licenses. The release of net assets with donor restrictions for the year ended December 31, 2018 totaled \$948,723 for WASH implementation and \$58,854 for the use of software licenses.

Net assets with donor restrictions available for projects in the following countries or are restricted for time at December 31:

	<u>2019</u>	<u>2018</u>
Restricted for projects-		
Ethiopia	\$ 3,899,556	\$ 1,965,649
India	1,802,534	47,291
Multiple countries	348,516	259,012
Nepal	11,786	180,942
China		132,013
	<u>6,062,392</u>	<u>2,584,907</u>
Time restricted-		
Pledges	235,000	
Software licenses	125,755	89,896
	<u>360,755</u>	<u>89,896</u>
Total Net Assets With Donor Restriction	<u>\$ 6,423,147</u>	<u>\$ 2,674,803</u>

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 6 - Commitments

Leases - The Organization leases office space in Seattle, Washington and in several countries. The noncancelable leases include escalating rent payments and expire by May 31, 2022. The Organization has leases that are cancelable with one to three months' notice, as such, only the noncancelable portion of these leases have been included below. Future minimum rent payments under the noncancelable office space lease are as follows:

For the Year Ending December 31,

2020	\$	176,195
2021		157,058
2022		<u>66,841</u>
Total	\$	<u>400,094</u>

Rent expense totaled \$257,906 and \$207,610 for the years ended December 31, 2019 and 2018, respectively.

Note 7 - Retirement Plan

Effective January 1, 2011, the Organization established a 401(k) profit sharing plan (the Plan). U.S. employees become eligible to participate in the Plan upon employment and when they have attained the age of 21 years. Participants may contribute compensation up to the maximum amount allowed by law and are immediately vested in these contributions. The Plan provides for employer matching contributions of 100% of the first 3% of employee contributions. The matching contributions vest over two years.

The Organization also provides various retirement plans for its local employees at offices outside of the U.S. The plans vary by country.

The Organization made matching contributions to all the retirement plans totaling \$154,191 and \$59,180 for the years ended December 31, 2019 and 2018, respectively.

Note 8 - Expenses by Country

The Organization incurred program expenses in the following countries for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Ethiopia	\$ 1,375,005	\$ 645,063
India	958,396	469,556
Nepal	258,803	147,141
China	121,142	65,479
Cambodia	<u>16,821</u>	<u>10,178</u>
Total Program Expenses by Country	<u>\$ 2,730,167</u>	<u>\$ 1,337,417</u>

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2019 and 2018

Note 9 - Availability and Liquidity of Financial Assets

The Organization's financial assets for general expenditure available within one year of the consolidated statements of financial position date were as follows at December 31:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 3,258,319	\$ 1,419,223
Grants and pledges receivable, net	3,929,300	1,735,349
Other receivables	<u>183,864</u>	<u>136,741</u>
Total financial assets	7,371,483	3,291,313
Less noncash other receivables	(183,864)	(136,741)
Less donor-restricted for specific purposes and time restricted pledges	<u>(6,297,392)</u>	<u>(2,584,907)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 890,227</u>	<u>\$ 569,665</u>

As part of the Organization's liquidity management, it actively engages its Board and partners and cultivates prospective donors to generate financial assets and build reserves for general expenditures. Although the Organization can use the donor-restricted financial assets to conduct program activities, if the activities could not be fulfilled, the funds would need to be returned to the donors. The Organization has a number of active projects and can decrease spending to manage liquidity if a decrease in funding were to occur.

Note 10 - Subsequent Events

The Organization has evaluated subsequent events through September 23, 2020, the date on which the consolidated financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any events occurred, the nature of which would require disclosure, except as follows.

In early 2020, a novel strain of coronavirus (COVID-19) became prevalent throughout the world. The COVID-19 outbreak has caused business disruption through mandated social distancing and voluntary closings of multiple businesses. Management continues to monitor events and conditions as they unfold and has established strategies to respond accordingly, and to minimize as far as possible the health risks to the Organization's staff. However, the financial impact to the Organization cannot be reasonably estimated at this time.

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act is the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On May 1, 2020, the Organization obtained a loan under the PPP with a principal balance of \$316,542 and an annual interest rate of 0.98%. Principal and interest are payable in monthly installments over an 18-month amortization period beginning six months after the loan was disbursed. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. Management anticipates that the loan will be forgiven in full.