

SOLVING KIDS CANCER

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

SOLVING KIDS' CANCER, INC.

DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Solving Kids' Cancer, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Solving Kids' Cancer, Inc. ("Organization") which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solving Kids' Cancer, Inc. 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. 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 Solving Kids' Cancer, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Solving Kids' Cancer, Inc.'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, including omissions, 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.

Report on Summarized, Comparative Information

We have previously audited the Organization's December 31, 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report, dated July 21, 2021. 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.



Certified Public Accountants

Livingston, New Jersey
September 7, 2022

SOLVING KIDS' CANCER, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,694,380	\$ 3,256,613
Pledges and contributions receivable	69,307	-
Prepaid expenses	7,027	6,328
Security deposits	3,585	3,585
	<hr/>	<hr/>
Total Assets	<u>\$ 2,774,299</u>	<u>\$ 3,266,526</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	<u>\$ 15,861</u>	<u>\$ 15,547</u>
 NET ASSETS:		
Without donor restrictions	868,512	1,024,399
With donor restrictions	1,889,926	2,226,580
	<hr/>	<hr/>
Total Net Assets	<u>2,758,438</u>	<u>3,250,979</u>
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 2,774,299</u>	<u>\$ 3,266,526</u>

SOLVING KIDS' CANCER, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2021

(With Summarized, Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
CONTRIBUTIONS AND OTHER SUPPORT:				
Individual contributions	\$ 173,858	\$ 2,602	\$ 176,460	\$ 157,548
Corporate contributions	27,810	-	27,810	35,100
Foundation contributions	272,770	36,211	308,981	323,521
Government grants	76,960	-	76,960	69,048
Total contributions	<u>551,398</u>	<u>38,813</u>	<u>590,211</u>	<u>585,217</u>
Special events contributions	101,438	-	101,438	245,934
Less: Costs of direct benefits to donors	(22,029)	-	(22,029)	(21,806)
Special events, net	<u>79,409</u>	<u>-</u>	<u>79,409</u>	<u>224,128</u>
Interest income	7,113	-	7,113	41,436
Total contributions and other support	<u>637,920</u>	<u>38,813</u>	<u>676,733</u>	<u>850,781</u>
Net assets released from restrictions	375,467	(375,467)	-	-
Total Contributions and Other Support	<u>1,013,387</u>	<u>(336,654)</u>	<u>676,733</u>	<u>850,781</u>
EXPENSES:				
Program services	828,883	-	828,883	357,341
Management and general	110,339	-	110,339	118,815
Fundraising	230,052	-	230,052	174,163
Total Expenses	<u>1,169,274</u>	<u>-</u>	<u>1,169,274</u>	<u>650,319</u>
CHANGES IN NET ASSETS	(155,887)	(336,654)	(492,541)	200,462
NET ASSETS:				
Beginning of year	<u>1,024,399</u>	<u>2,226,580</u>	<u>3,250,979</u>	<u>3,050,517</u>
End of year	<u>\$ 868,512</u>	<u>\$ 1,889,926</u>	<u>\$ 2,758,438</u>	<u>\$ 3,250,979</u>

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

SOLVING KIDS' CANCER, INC.**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2021

(With Summarized, Comparative Totals for the Year Ended December 31, 2020)

	Program Services	Support Services		Total Program and Support Services	2020 Total
		Management and General	Fundraising		
Salaries	\$ 198,440	\$ 80,380	\$ 102,898	\$ 381,718	\$ 379,310
Employee benefits	23,993	2,700	11,795	38,488	35,126
Payroll taxes	16,520	1,797	9,968	28,285	27,954
Total salaries and related expenses	238,953	84,877	124,661	448,491	442,390
Grant programs	503,884	-	-	503,884	20,009
Professional fees	42,489	12,572	78,361	133,422	103,981
Advertising	168	50	2,448	2,666	157
Rent	29,131	8,620	16,363	54,114	55,116
Travel and training	1,363	404	909	2,676	1,020
Meals and entertainment	242	72	201	515	235
Merchant and bank fees	579	171	325	1,075	3,520
Insurance	3,259	964	1,830	6,053	5,025
Office expense	691	205	392	1,288	2,703
Telephone	1,908	565	1,072	3,545	3,817
Computer expense	1,906	564	1,070	3,540	2,905
Miscellaneous	743	220	417	1,380	4,037
Dues and subscriptions	3,567	1,055	2,003	6,625	4,303
Total before depreciation	828,883	110,339	230,052	1,169,274	649,218
Depreciation	-	-	-	-	1,101
Total Functional Expenses	\$ 828,883	\$ 110,339	\$ 230,052	\$ 1,169,274	\$ 650,319

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

SOLVING KIDS' CANCER, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2021	2020
CASH FLOWS (USED FOR) PROVIDED BY:		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ (492,541)	\$ 200,462
Adjustments to reconcile changes in net assets to net cash (used for) provided by operating activities:		
Depreciation	-	1,101
Changes in certain assets and liabilities:		
Pledges and contributions receivable	(69,307)	25,000
Prepaid expenses	(699)	16,586
Accounts payable and accrued expenses	314	(3,879)
Net Cash (Used For) Provided by Operating Activities	<u>(562,233)</u>	<u>239,270</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(562,233)	239,270
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>3,256,613</u>	<u>3,017,343</u>
End of year	<u>\$ 2,694,380</u>	<u>\$ 3,256,613</u>

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - NATURE OF ACTIVITIES:

Solving Kids' Cancer, Inc. ("Organization") is a not-for-profit corporation based in New York, New York. The Organization finds, funds, and advocates for breakthrough treatment options to cure children with the most fatal pediatric cancers through a patient-centric approach. The Organization works to improve survival of the deadliest childhood cancers by accelerating the delivery of breakthrough treatments through clinical research, influencing research priorities and empowering families. The Organization extends their reach globally by driving international collaborations to foster the development of innovative clinical trials that bring more effective treatments to children in the U.S., Europe and beyond.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Summarized, Comparative Information:

The financial statements include certain prior year summarized, comparative information in total, but not by net asset class or by functional area. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. 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.

Financial Statement Presentation:

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

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents:

For financial statement purposes, money market funds with an original maturity of three months or less are considered to be cash equivalents.

Contributions Receivable:

Contributions receivable are stated at the amount management expects to collect from outstanding balances. The Organization charges uncollectible receivables to operations when determined to be uncollectible based on historical trends. As of December 31, 2021 and 2020, an allowance for uncollectible receivables was deemed not necessary.

Contributions and Revenue Recognition:

The Organization derives a portion of its revenue from special events. The direct benefit to donors of the special event is recognized as revenue in the financial statements. The direct benefit to donors is an amount that reflects the consideration the Organization expects to be entitled to in exchange for the event. For the performance obligation relating to the direct benefit to donors, control transfers to the client at a point in time when the event takes place. There are no significant financing components or variable considerations provided to clients.

Contributions are recognized as revenue when the contributions are received or unconditionally pledged to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or the time of availability. When a donor 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 statement of activities and changes in net assets as net assets released from restriction. It is the policy of the Organization to present restricted contributions, whose restrictions are satisfied in the same reporting period as unrestricted contributions, in the statement of activities and changes in net assets.

Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenue from government grants is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met or explicitly waived.

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Donated Goods and Services:

The Organization may receive donated goods and services that create or enhance nonfinancial assets and allow the Organization to fulfill its mission. Donations of tangible assets are recognized at fair market value when received. Donated services are recognized if the services received either create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donations of goods or services at December 31, 2021 and 2020.

The Organization also regularly receives services from volunteers who are not acting in a professional capacity; such volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements.

Income Taxes:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during 2021 and 2020. At December 31, 2021 and 2020, there are no significant income tax uncertainties.

Use of Estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising:

Advertising is expensed as incurred.

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Recent Accounting Pronouncements:

In February 2016, the Financial Accounting Standards Board issued an accounting pronouncement, *Leases*, which requires lessees to recognize a right-of-use asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Under this new pronouncement, a modified retrospective transition or a cumulative-effect adjustment transition approach may be used and the new standard is applied to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date, or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. The standard is effective for annual reporting periods beginning after December 15, 2021. Earlier adoption is permitted subject to certain limitations. The Organization is currently evaluating the effect of the provisions of this standard will have on the financial statements.

Subsequent Events:

The Organization has evaluated its subsequent events and transactions occurring after December 31, 2021 through September 7, 2022, the date the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

	December 31,	
	2021	2020
Cash and cash equivalents	\$ 2,694,380	\$ 3,256,613
Contributions receivable	69,307	-
Total financial assets	<u>2,763,687</u>	<u>3,256,613</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(1,889,926)	(2,226,580)
Estimated releases	188,000	830,646
	<u>(1,701,926)</u>	<u>(1,395,934)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,061,761</u>	<u>\$ 1,860,679</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash and cash equivalents are invested in money market accounts.

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 - GRANT PROGRAMS:

The Organization aids in the development of therapies to make survivorship possible for kids with the deadliest childhood cancers.

At December 31, 2021, the Organization funded or was (refunded) based on contractual provisions for the following programs:

1. <i>Boston Children's Hospital</i> International integrated analysis to identify markers of poor survival for consensus of Ultra-High-Risk Neuroblastoma prognosis	\$ 21,756
2. <i>Wayne State University - Return of Unused Funds</i> Activated T-Cells with GD2 Bispecific Antibody	(28,947)
3. <i>Conquer Cancer ASCO Foundation</i> The cureMedullo Young Investigator Award – ASCO	50,000
4. <i>University Hospital Southampton</i> Ph. I Clin Trial – triplet combination therapy: anti-GD2 antibody + nivolumab + mIBG targeted radiotherapy for high-risk neuroblastoma	225,000
5. <i>Children's Hospital of Philadelphia</i> Ph III Clin Trial – integration of Lorlatinib into frontline High-Risk neuroblastoma treatment protocol in a COG/SIOPEN collaboration (TITAN)	162,500
6. <i>Children's Hospital of Philadelphia</i> Solving Indolent Neuroblastoma – biomarker signature identification and clinical trial	73,575
	<u>\$ 503,884</u>

At December 31, 2020, the Organization funded or was (refunded) based on contractual provisions for the following programs:

1. <i>Boston Children's Hospital/Dana Farber Cancer Institute</i> International analysis to identify markers of poor survival for consensus of Ultra-High-Risk Neuroblastoma prognosis	\$ 21,244
2. <i>University of Minnesota - Return of Unused Funds</i> A Pilot Study of Imiquimod and Tumor Lysate Vaccine Immunotherapy for Diffuse Immune Pontine Glioma in Children and Young Adults	(7,574)
3. <i>Other Miscellaneous Programs</i> Advances in Neuroblastoma Research Conference and Medulloblastoma Summit	6,339
	<u>\$ 20,009</u>

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

The Organization conducts all of its operations from a leased facility under an operating lease. The lease expired on March 31, 2022. The Organization is also responsible for a percentage of the operating costs. Monthly rent expense was approximately \$4,500.

The Organization entered into a shared lease agreement with two other organizations beginning on April 1, 2022 and expiring on March 31, 2032. Solving Kid's Cancer, Inc. is responsible for one third of the rent expense and a percentage of the operating costs which totals approximately \$1,300 per month.

Total rent expense for the years ended December 31, 2021 and 2020, is \$54,114 and \$55,116, respectively.

Minimum future lease payments due under the above leases are as follows:

Year Ending December 31,	
2022	\$ 25,299
2023	15,694
2024	15,694
2025	15,694
2026	15,694
Thereafter	82,393
	<u>\$ 170,468</u>

NOTE 6 - SPECIAL EVENTS:

During the year ended December 31, 2021, special events consisted of the following:

	Other Special Events
Contributions	\$ 101,438
Less: Expenses	(22,029)
Special Events, Net	<u>\$ 79,409</u>

During the year ended December 31, 2020, special events consisted of the following:

	Spring Celebration	Other Special Events	Total
Contributions	\$ 185,307	\$ 60,627	\$ 245,934
Less: Expenses	(4,804)	(17,002)	(21,806)
Special Events, Net	<u>\$ 180,503</u>	<u>\$ 43,625</u>	<u>\$ 224,128</u>

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes:

	December 31,	
	2021	2020
Ph. I Clin Trial – High-intensity Focused Ultrasound investigational treatment for high-risk neuroblastoma	\$ 32,046	\$ 10,756
Ph. I Clin Trial – oncolytic virotherapy for high-risk pediatric brain tumors	9,092	9,092
Ph. I Clin Trial – triplet combination therapy: anti-GD2 antibody + nivolumab + mIBG targeted radiotherapy for high-risk neuroblastoma	36,014	261,014
Ph I/II Clin Trial – personalized therapy using organotypic slice culture for high-risk pediatric brain tumors	-	100
Ph III Clin Trial – integration of Lorlatinib into frontline High-Risk neuroblastoma treatment protocol in a COG/SIOPEN collaboration (TITAN)	37,500	100,000
Ph I Pilot Study – Imiquimod and Tumor Lysate Vaccine for high-risk brain tumors	-	7,574
TLC Brain Tumor Fund	37,435	37,435
Ph I Pilot Study – TNF inhibition + nivolumab turning cold tumors hot in medulloblastoma	125,000	190,000
Medullo General Clinical Research	955,738	955,738
Bibi Fund	657,101	654,871
Total Net Assets with Donor Restrictions	<u>\$ 1,889,926</u>	<u>\$ 2,226,580</u>

Net assets released from time and use restrictions are as follows:

	Year Ended December 31,	
	2021	2020
Ph. I Clin Trial – High-intensity Focused Ultrasound treatment for high-risk neuroblastoma	\$ 467	\$ 21,244
CureMedullo Young Investigator Award – ASCO	50,000	-
Ph. I Clin Trial – anti-GD2 antibody + nivolumab + mIBG targeted radiotherapy for high-risk neuroblastoma	225,000	-
Ph III Clin Trial – integration of Lorlatinib into High-Risk neuroblastoma frontline treatment protocol in a COG/SIOPEN collaboration (TITAN)	100,000	-
Medullo General Clinical Research	-	6,339
Total Net Assets with Donor Restrictions	<u>\$ 375,467</u>	<u>\$ 27,583</u>

SOLVING KIDS' CANCER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 - FUNCTIONAL EXPENSES:

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction to the Organization. Salaries, employee benefits, and payroll taxes are allocated based on time and effort of employees. Funding grants are directly charged as program expenses. The remaining functional expense lines are allocated based on a combination of time and effort, and direct costs.

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN:

The Organization obtained Paycheck Protection Program ("PPP") loans under the CARES Act in April 2020 and February 2021 for \$69,048 and \$76,960, respectively. The Organization recorded the PPP funds received as conditional government grants and recognized revenue as conditions set forth by the U.S. Small Business Administration ("SBA") were satisfied. The Organization applied for and received full forgiveness of the loans in March 2021 and November 2021, respectively. \$76,960 and \$69,048 are recorded as revenue from government grants on the statement of activities and changes in net assets as of December 31, 2021 and 2020, respectively.

The SBA reserves the right to audit loan forgiveness for six years from the date that forgiveness was awarded.

NOTE 10 - RISKS AND UNCERTAINTIES:

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintained its cash and cash equivalents in accounts with federally insured institutions. At times, the balances in these accounts may be in excess of federally insured limits.

The Organization is actively monitoring the recent COVID-19 outbreak and its potential impact on our employees, volunteers, donors, consumers, and operations. It is not known at this time how much effect the virus will have on operations and/or financial results. The potential impact of COVID-19 is not foreseeable due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities.