

THE GROUNDTRUTH PROJECT, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

**THE GROUNDTRUTH PROJECT, INC.
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YEARS ENDED DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The GroundTruth Project, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of The GroundTruth Project, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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.

Board of Directors
The GroundTruth Project, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The GroundTruth Project, Inc. as of and for the years ended December 31, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
April 26, 2021

**THE GROUNDTRUTH PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,861,711	\$ 4,427,921
Contributions Receivable Within One Year	2,433,879	2,565,629
Host Newsroom Contracts	712,300	172,639
Other Current Assets	97,573	49,710
Total Current Assets	8,105,463	7,215,899
OTHER ASSETS		
Property and Equipment, Net	32,887	53,954
Contributions Receivable	2,994,680	3,900,500
Total Assets	\$ 11,133,030	\$ 11,170,353
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 220,853	\$ 219,014
Funds Designated for Specific Use	549,655	178,737
Other Current Liabilities	555,155	255,361
Total Liabilities	1,325,663	653,112
NET ASSETS		
Without Donor Restrictions	1,191,037	234,596
With Donor Restrictions	8,616,330	10,282,645
Total Net Assets	9,807,367	10,517,241
Total Liabilities and Net Assets	\$ 11,133,030	\$ 11,170,353

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 1,841,284	\$ 5,918,415	\$ 7,759,699
Other Revenue	14,198	-	14,198
In-Kind Revenue	64,213	-	64,213
Net Assets Released from Restrictions	7,584,730	(7,584,730)	-
Total Revenue, Support, and Gains	9,504,425	(1,666,315)	7,838,110
EXPENSES			
Program Services Expense	7,074,803	-	7,074,803
Management and General	998,584	-	998,584
Fundraising and Development	474,597	-	474,597
Total Expenses	8,547,984	-	8,547,984
CHANGE IN NET ASSETS	956,441	(1,666,315)	(709,874)
Net Assets - Beginning of Year	234,596	10,282,645	10,517,241
NET ASSETS - END OF YEAR	\$ 1,191,037	\$ 8,616,330	\$ 9,807,367

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 179,491	\$ 8,684,723	\$ 8,864,214
Other Revenue	30,513	-	30,513
In-Kind Revenue	140,044	-	140,044
Net Assets Released from Restrictions	4,000,273	(4,000,273)	-
Total Revenue, Support, and Gains	4,350,321	4,684,450	9,034,771
EXPENSES			
Program Services Expense	3,372,996	-	3,372,996
Management and General	571,094	-	571,094
Fundraising and Development	531,795	-	531,795
Total Expenses	4,475,885	-	4,475,885
CHANGE IN NET ASSETS	(125,564)	4,684,450	4,558,886
Net Assets - Beginning of Year	360,160	5,598,195	5,958,355
NET ASSETS - END OF YEAR	\$ 234,596	\$ 10,282,645	\$ 10,517,241

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			
	Program Services	Management and General	Fundraising and Development	Total
Salaries and Benefits	\$ 2,738,019	\$ 807,311	\$ 338,045	\$ 3,883,375
Fellows and Corps Members	3,214,189	-	-	3,214,189
Contractors and Consultants	448,229	249	59,729	508,207
General Operating Expenses	318,805	75,039	30,134	423,978
Travel, Meals, and Entertainment	49,248	1,685	8,075	59,008
Professional Services	182,733	68,186	23,196	274,115
Rent Expense	96,310	35,938	12,015	144,263
Depreciation and Amortization	14,064	5,248	1,755	21,067
Insurance Expense	13,206	4,928	1,648	19,782
Total Expenses	\$ 7,074,803	\$ 998,584	\$ 474,597	\$ 8,547,984

	2019			
	Program Services	Management and General	Fundraising and Development	Total
Salaries and Benefits	\$ 1,347,325	\$ 390,396	\$ 360,706	\$ 2,098,427
Fellows and Corps Members	1,033,634	-	-	1,033,634
Contractors and Consultants	403,757	43,588	35,960	483,305
General Operating Expenses	195,954	53,987	51,778	301,719
Travel, Meals, and Entertainment	197,012	9,437	31,088	237,537
Professional Services	100,141	37,301	26,518	163,960
Rent Expense	68,031	26,008	18,403	112,442
Depreciation and Amortization	15,688	5,998	4,244	25,930
Insurance Expense	11,454	4,379	3,098	18,931
Total Expenses	\$ 3,372,996	\$ 571,094	\$ 531,795	\$ 4,475,885

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (709,874)	\$ 4,558,886
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	21,067	25,930
Changes in Operating Assets and Liabilities:		
Contributions Receivable	1,037,570	(4,207,440)
Host News Room Contracts	(539,661)	(172,639)
Other Current Assets	(47,863)	(5,405)
Accounts Payable	1,839	141,833
Funds Designated for Specific Use	370,918	162,643
Other Current Liabilities	299,794	200,179
Net Cash Provided by Operating Activities	433,790	703,987
 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	-	(28,306)
Net Cash Used by Investing Activities	-	(28,306)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	433,790	675,681
 Cash and Cash Equivalents - Beginning of Year	4,427,921	3,752,240
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,861,711	\$ 4,427,921

See accompanying Notes to Financial Statements.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 ORGANIZATION AND PURPOSE

The GroundTruth Project, Inc. (the Organization), a nonprofit corporation, was founded to restore journalism from the ground up by supporting the next generation of journalists through field reporting that serves under-covered corners of the United States and the world. The Organization focuses on training and developing the craft of journalism and the power of accountability reporting. While meeting the challenges of communicating fair, trusted news in an age where it sometimes feels truth itself is under attack, the Organization seeks to support on-the-ground journalism that enlightens and informs with a spirit of public service.

The Organization's programs build an engaged community around impactful journalism and powerful storytelling by a new generation, while supporting their careers as fellows, corps members and alumni. Since incorporation on August 8, 2012, the Organization has supported more than 250 emerging journalists through its global reporting fellowships across more than 30 countries. In 2018, GroundTruth launched its flagship service program Report for America which now supports 300 journalists in 200 newsrooms across the US. In 2021, GroundTruth launched a small pilot program called Report for the World, with six journalists based in India and Nigeria. The Organization trains and produces content in its fellowships and corps members through various mediums including written essays, photo essays, podcasts, and films as well as corps member service projects through its service flag-ship program, Report for America.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Display of Net Assets by Class

Net assets, revenues, and support are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resources was restricted has been fulfilled, or both. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintain in perpetuity. For the years-ended December 31, 2020 and 2019, there were no net assets with donor restrictions maintained in perpetuity.

**THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events are events or transactions that occur after the date of the statement of financial position but that could affect the amounts or disclosures in the financial statements. Management has evaluated subsequent events through April 26, 2021, the date that the financial statements are available to be issued.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are not restricted by donors for long-term purposes, to be cash and cash equivalents.

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. The Organization establishes an allowance for uncollectible contributions receivable based upon its assessment of the status of individual receivables. As of December 31, 2020 and 2019, the Organization considers all contributions receivable to be fully collectible. Accordingly, no allowance has been established. All of the Organization's contributions receivable are unconditional.

Property and Equipment

Property and equipment are recorded at cost. Assets having a useful life of at least one year are capitalized if the total cost is over \$2,000. Donated property is recorded at its estimated fair value at the date of receipt. Gifts of long-lived assets are recorded at their fair market value at the date of donation and reported as unrestricted support unless explicit donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Equipment	3 Years
Website	3 Years

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

	2020	2019
Equipment	\$ 33,295	\$ 33,295
Website	144,199	144,199
Subtotal	177,494	177,494
Less: Accumulated Depreciation and Amortization	(144,607)	(123,540)
Total Property and Equipment	\$ 32,887	\$ 53,954

Funds Designated for Specific Use

Host newsrooms participating in the Report for America corps program may raise their own funding for their News Corps members. The Organization receives locally raised funds, which is reflected as a liability until it is disbursed to the newsrooms.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

The Organization receives grants and contributions from various donors and grantors, including other nonprofit organizations, which are recorded as increases in assets without donor restrictions or assets with donor restrictions, depending on the existence of any donor restrictions. Grants and contributions are considered to be available for use unless specifically restricted by the donor or grantor.

All donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. 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 statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

Expenses directly attributable to the Organization's programs are recorded as program expenses. Salaries and benefits are allocated to program, management and general, and fundraising expense based on actual hours spent as reported on employees' timesheets. Indirect costs, such as rent, professional and consulting services, depreciation expense, and certain office expenses are allocated based on pro-rata share of salaries for each function.

Income Taxes

The GroundTruth Project, Inc. is exempt from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code and, as a corporation organized under Chapter 180 of the General Law of the Commonwealth of Massachusetts, it is also exempt from income tax in Massachusetts. Accordingly, no provisions for federal and state income taxes have been made.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$-0- and \$3,512 during the years ended December 31, 2020 and 2019, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs. The Organization also has access to a line of credit to supplement cash flows as needed, as described in Note 6.

The Organization's sources of liquidity include cash and cash equivalents and contributions receivable. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities to be general expenditures.

Total financial assets held by the Organization as of December 31:

	2020	2019
Cash and Cash Equivalents	\$ 4,861,711	\$ 4,427,921
Contributions Receivable Within One Year	2,433,879	2,565,629
Subtotal	7,295,590	6,993,550
Less Funds Designated for Specific Use included in Cash and Cash Equivalents	(549,655)	(138,737)
Total	<u>\$ 6,745,935</u>	<u>\$ 6,854,813</u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable are due as follows at December 31:

	2020	2019
Within One Year	\$ 2,433,879	\$ 2,565,629
In One to Five Years	2,994,680	3,900,500
Total	<u>\$ 5,428,559</u>	<u>\$ 6,466,129</u>

NOTE 5 HOST NEWSROOMS CONTRACTS AND COMMITMENTS

In connection with the Organization's mission, the Organization provides grants to host newsrooms to support Report for America corps members at those newsrooms. As of December 31, 2020 and 2019, the Organization had prepayments on those contracts totaling \$712,300 and \$172,639, respectively.

The Organization is committed to funding current corps members under those contracts through May 31, 2021, with expected payments to approximate \$1,074,268.

**THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 LINE OF CREDIT

On September 27, 2019, the Organization entered into a line of credit agreement with a bank, expiring in September 2021. The line of credit includes an available balance of \$500,000, bears interest at the LIBOR daily floating rate plus 3.00% (3.14% and 4.55% at December 31, 2020 and 2019, respectively) and is collateralized by the Organization's assets.

NOTE 7 CONCENTRATION OF CREDIT RISK

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members foundations, and other grantors supportive of the Organization's mission. For the year ended December 31, 2020, one donor accounted for 59% of total contributions receivable. One donor accounted for approximately 32% of total contribution revenue for the year ended December 31, 2020.

NOTE 8 LEASE COMMITMENTS

The Organization leases office space under various noncancellable and cancellable operating leases as follows:

The Organization leased office space in Woods Hole, MA at a rate of \$900 per month through August 31, 2020. The lease was renewed for 12 months through September 2021 at a rate of \$1,000 per month.

The Organization leased office space in New York, NY at a rate of \$4,160 through April 30, 2020. The lease was renewed for 20 months through December 31, 2021 at a rate of \$6,080 per month.

The Organization leased office space in Washington, DC at a rate of \$2,482 per month through April 30, 2020. The lease was renewed for 12 months through May 31, 2021 at a rate of \$1,693 per month.

The Organization's future minimum payments on the leases are as follows:

<u>Year Ending December 31,</u>	<u>Operating</u>
2021	<u>Leases</u>
Total Minimum Lease Payments	<u>\$ 110,773</u>
	<u>\$ 110,773</u>

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 LEASE COMMITMENTS (CONTINUED)

Security deposits related to the above leases are included in other current assets and amounted to \$21,675 and \$12,900 as of December 31, 2020 and 2019, respectively. Rent expense for the above leases totaled \$100,554 and \$68,732 for the years ended December 31, 2020 and 2019, respectively. In addition, the Organization recorded rent expense related to donated office space in Boston, Massachusetts totaling \$43,710, as described in Note 10, for both years ended December 31, 2020 and 2019.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions not invested in perpetuity are available for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Program Purposes:	<u>\$ 7,816,330</u>	<u>\$ 9,332,645</u>
Total	<u>7,816,330</u>	<u>9,332,645</u>
Subject to the Passage of Time:		
Promises to Give that are not Restricted by Donors, But Which are Unavailable for Expenditure Until Due	<u>800,000</u>	<u>950,000</u>
Total	<u>800,000</u>	<u>950,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 8,616,330</u></u>	<u><u>\$ 10,282,645</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Expiration of Time Restrictions	<u>\$ 300,000</u>	<u>\$ 436,089</u>
Satisfaction of Purpose Restrictions:		
Capacity Building / Overhead	434,778	487,267
Fellowships and Films	567,820	453,121
Report for America	<u>6,282,132</u>	<u>2,623,796</u>
Total Net Assets Released from Donor Restrictions	<u><u>\$ 7,584,730</u></u>	<u><u>\$ 4,000,273</u></u>

**THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 10 DONATED PROFESSIONAL SERVICES AND GOODS

The Organization received the following donated professional services and goods during the years ended December 31:

	Program Services	Management and General	Fundraising and Development	Total
<u>December 31, 2020</u>				
Rent	\$ 29,181	\$ 10,888	\$ 3,641	\$ 43,710
Legal Services	13,554	5,058	1,691	20,303
Other Goods and Services	200	-	-	200
Total	<u>\$ 42,935</u>	<u>\$ 15,946</u>	<u>\$ 5,332</u>	<u>\$ 64,213</u>
<u>December 31, 2019</u>				
Rent	\$ 26,446	\$ 10,110	\$ 7,154	\$ 43,710
Legal Services	35,812	13,691	9,687	59,190
Other Goods and Services	23,937	7,734	5,473	37,144
Total	<u>\$ 86,195</u>	<u>\$ 31,535</u>	<u>\$ 22,314</u>	<u>\$ 140,044</u>

NOTE 11 EMPLOYEE BENEFIT PLAN

The Organization sponsors a retirement plan (the Plan) qualified under IRC Section 403(b) that allows eligible employees to make elective contributions to the Plan, up to the maximum contribution allowed by law. Employer contributions are discretionary and are determined and authorized by the board of directors each plan year. During the years ended December 31, 2020 and 2019, no discretionary contributions were made to the Plan.

NOTE 12 RELATED PARTY TRANSACTIONS

In 2018, the Organization received a \$1,000,000 unconditional contribution from a foundation for which a director serves as the chief executive officer. For both years ended December 31, 2020 and 2019, \$600,000 related to this contribution was included in contributions receivable.

In 2018, the Organization received a \$250,000 unconditional contribution from a board member, of which \$100,000 and \$150,000 was included in contributions receivable at December 31, 2020 and 2019, respectively.

In 2019, the Organization received contributions totaling \$10,500 from two other directors, of which \$9,500 was included in promises to give at December 31, 2019.

In 2019, the Organization received a \$50,000 unconditional promise to give from a trust, of which \$17,362 and \$50,000 was included in promises to give at December 31, 2020 and 2019, respectively. A director serves as the chief executive officer of the trust.

THE GROUNDTRUTH PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 RELATED PARTY TRANSACTIONS (CONTINUED)

The Organization paid a relative of the chief executive officer, \$4,500 and \$8,423 for photography and editing work for the year ended December 31, 2020 and 2019, respectively.

The Organization paid \$124,996 and \$20,802 to a company owned by an employee for use of a film studio and talent for the year ended December 31, 2020 and 2019, respectively.

The Organization received in-kind legal services from a director totaling \$14,929 and \$41,172 for the years ended December 31, 2020 and 2019, respectively .

The Organization received a \$5,000 contribution from a relative of the chief executive officer for the year ended December 31, 2020.

The chief executive officer of The GroundTruth Project, Inc. and the president of Report for America, who receive compensation and benefits for their services, also serve on the board of directors.

NOTE 13 PAYROLL PROTECTION PROGRAM

In May 2020, the Organization received proceeds in the amount of \$395,566 to fund payroll, rent, and utilities through the Paycheck Protection Program (the "PPP Loan"). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes. The Organization recognized \$395,566 of contributions revenue related to this agreement during the year ended December 31, 2020, as the performance barriers have been met. The SBA has formally forgiven the entire loan balance of the Organization's obligation under this PPP loan. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The covered period to spend the funds was 24 weeks from the when the Organization obtained the PPP Loan funds.

NOTE 14 UNCERTAINTIES

The World Health Organization declared the spread of Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. It is expected that COVID-19 could potentially impact operations resulting in a modifications of programs. Management believes the Organization is taking appropriate actions to mitigate the negative financial impact. However, the full financial impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing as of April 26, 2021.