



Phoenix Pride, Inc.
Financial Statements
for the Year Ended December 31, 2019

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PHOENIX PRIDE, INC.
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Phoenix Pride, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Phoenix Pride, Inc. which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Phoenix Pride, Inc. as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited Phoenix Pride, Inc.'s 2018 financial statements, and our report dated May 6, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Heinfeld, Meech & Co., P.C.

Phoenix, Arizona

June 16, 2020

PHOENIX PRIDE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

<u>Assets</u>	2019	2018
Cash and cash equivalents	\$ 580,138	\$ 308,008
Accounts receivable	49,543	10,145
Prepaid expenses	53,341	10,675
Goodwill - Rainbows Festival	100,000	100,000
Property and equipment, net	10,130	10,829
Total assets	<u>\$ 793,152</u>	<u>\$ 439,657</u>
<u>Liabilities</u>		
Accounts payable	\$ 15,694	\$ 6,588
Accrued payroll	8,644	10,719
Pride scholarship payable	7,689	10,130
Deferred revenue	179,544	51,129
Notes payable	41,334	84,733
Total liabilities	<u>252,905</u>	<u>163,299</u>
<u>Net assets</u>		
Without donor restrictions:		
Undesignated	530,652	268,322
With donor restrictions:		
Purpose restricted	<u>9,595</u>	<u>8,036</u>
Total net assets	<u>540,247</u>	<u>276,358</u>
Total liabilities and net assets	<u>\$ 793,152</u>	<u>\$ 439,657</u>

See accompanying notes to financial statements.

PHOENIX PRIDE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
Revenue, support, and gains:				
Contributions and grants	\$ 70,903	\$ 7,675	\$ 78,578	\$ 126,215
Festivals and other program income	2,251,488		2,251,488	1,915,363
Interest and dividends	125		125	86
Net assets released from restrictions	6,116	(6,116)		
Total revenue, support, and gains	2,328,632	1,559	2,330,191	2,041,664
 Expenses and losses:				
Program services				
Festivals	1,779,246		1,779,246	1,484,812
Other programs	172,788		172,788	167,159
Total program expenses	1,952,034		1,952,034	1,651,971
Supporting services				
Management and general	54,815		54,815	58,993
Fundraising	59,453		59,453	62,282
Total supporting services	114,268		114,268	121,275
Total expenses and losses	2,066,302		2,066,302	1,773,246
Change in net assets	262,330	1,559	263,889	268,418
Net assets, beginning of year	268,322	8,036	276,358	7,940
Net assets, end of year	\$ 530,652	\$ 9,595	\$ 540,247	\$ 276,358

See accompanying notes to financial statements.

PHOENIX PRIDE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	Programs			Supporting Services		Totals	
	Festivals	Other Programs	Total	Management and General	Fundraising	2019	2018
Salaries and wages	\$ 125,233	\$ 18,179	\$ 143,412	\$ 18,179	\$ 40,398	\$ 201,989	\$ 225,880
Payroll benefits and taxes	23,568	3,421	26,989	3,421	7,603	38,013	40,180
Event expenses	1,259,368		1,259,368			1,259,368	982,524
Promotion and marketing	173,985		173,985			173,985	124,245
Charitable contributions and grants		76,352	76,352			76,352	71,745
Pride scholarships		55,387	55,387			55,387	50,361
Registrations and subscriptions				3,704		3,704	3,831
Professional and consulting fees	24,404	1,525	25,929	3,051	2,773	31,753	61,629
Occupancy	31,024	6,946	37,970	3,705	4,631	46,306	45,445
Information and technology	19,772	6,418	26,190	2,361	2,951	31,502	18,492
Telephone and internet	6,281	1,406	7,687	750	937	9,374	9,485
Insurance				2,392		2,392	2,392
Postage	748	21	769	816		1,585	1,190
Printing and reproduction	12,806	1,108	13,914	113		14,027	14,956
Board of Directors				5,035		5,035	867
Supplies	91,026	1,369	92,395	3,308		95,703	86,289
Bank and merchant fees	9,841	266	10,107	2,366		12,473	24,267
Meetings and training	1,190	390	1,580	160	160	1,900	3,070
Other expenses				4,754		4,754	5,698
Depreciation				700		700	700
Total expenses	\$ <u>1,779,246</u>	\$ <u>172,788</u>	\$ <u>1,952,034</u>	\$ <u>54,815</u>	\$ <u>59,453</u>	\$ <u>2,066,302</u>	\$ <u>1,773,246</u>

See accompanying notes to financial statements.

PHOENIX PRIDE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 263,889	\$ 268,418
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:		
Depreciation	700	700
Changes in assets and liabilities:		
Accounts receivable	(39,399)	1,637
Prepaid expenses	(42,666)	(3,195)
Accounts payable	9,106	1,549
Accrued payroll	(2,075)	1,675
Pride scholarship payable	(2,441)	(2,600)
Deferred revenue	<u>128,415</u>	<u>(20,984)</u>
Net cash provided by/used for operating activities	<u>315,529</u>	<u>247,200</u>
Cash flows from financing activities:		
Principal payments on debt	<u>(43,399)</u>	<u>(41,700)</u>
Net cash provided by/used for financing activities	<u>(43,399)</u>	<u>(41,700)</u>
Net increase/decrease in cash and cash equivalents	272,130	205,500
Cash and cash equivalents, beginning of year	<u>308,008</u>	<u>102,508</u>
Cash and cash equivalents, end of year	<u><u>\$ 580,138</u></u>	<u><u>\$ 308,008</u></u>
Supplemental disclosure of noncash investing and financing activities:		
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>2,599</u>	<u>4,298</u>

See accompanying notes to financial statements.

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Phoenix Pride, Inc. (Organization) was incorporated under the laws of the State of Arizona in September 1990. The Organization is a not-for-profit organization established for charitable, educational and social purposes dedicated to promoting unity, visibility and self-esteem among gay, lesbian, bisexual, transgender and queer persons (LGBTQ) through community activities and services. The organization's programs are offered in Phoenix and throughout the state of Arizona.

The Organization's programs include the Phoenix Pride Festival, the Phoenix Pride Parade, and other programs that serve the community and celebrate and promote the history, diversity and future prosperity of the metropolitan Phoenix LGBTQ community. The Phoenix Pride Festival, the Phoenix Pride Parade, and the Rainbows Festival are Phoenix Pride's main sources of revenue.

The Organization's programs provide community grants and scholarships to organizations and individuals in the LGBTQ community. Community grant and partnership programs provide financial grants and support to not-for-profit organizations serving Maricopa County's LGBTQ community. Since inception of the grants and partnership programs in 2008, the Organization has provided more than \$748,000 in community support to not-for-profit organizations.

The Phoenix Pride Scholarship Program provides scholarships to self-identified LGBTQ college students. Since inception of the scholarship program in 2008, the scholarship program has awarded \$295,500 in scholarships paid by Arizona Community Foundation on behalf of the Organization. The Organization funds these scholarships by making annual contributions to the endowment fund at Arizona Community Foundation (see Note 3).

The more significant accounting policies are described below.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Organization is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions.

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accordingly, net assets of the Organization and changes therein are classified 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. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. 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.

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. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At year end, the carrying amount of the Organization's deposits was \$580,138 and the bank balance was \$557,361. At year end, \$307,361 of the Organization's deposits were uninsured and uncollateralized. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Accounts receivable are considered by management to be collectible in full and, accordingly, an allowance for doubtful accounts is not considered necessary.

Goodwill – Rainbows Festival

The acquisition of the Rainbows Festival in 2011 resulted in recognizing goodwill of \$100,000. Under generally accepted accounting principles, the carrying amount of goodwill is not amortized but is reduced if management determines that its implied fair value has been impaired.

Property and Equipment

All acquisitions of property and equipment with a cost in excess of \$3,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, ranging from seven to 10 years. Depreciation expense for the current fiscal year was \$700.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is the Organization's policy to recognize the cost of compensated absence when leave is earned by employees.

Revenue Recognition

The Organization recognizes contributions and grants when cash or an unconditional promise to give is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Festivals and other program revenue is primarily comprised of ticket sales, beverage sales, exhibitor fees, sponsorships and gifts in kind related to the festivals. The Organization recognizes these revenues on the date the festival occurs.

Donated Services and In-Kind Contributions

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising activities; however the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Professional services	Full time equivalent
Information technology	Full time equivalent
Occupancy	Square footage

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the current fiscal year, advertising costs totaled \$173,985. Of this amount, \$117,100 was donated.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. 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 qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization's Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

New Accounting Pronouncements

During the fiscal year, the Organization adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update clarifies the principles for recognizing contract revenue and enhances disclosures sufficient to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In addition, during the fiscal year, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The update clarifies and improves the scope and accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

Analysis of various provisions of these standards resulted in no significant changes to the way the Organization recognizes revenue. The presentation and disclosures of revenues have been enhanced in accordance with the standard.

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – LIQUIDITY AND AVAILABILITY

The following represents the Organization’s financial assets at fiscal year end:

Financial assets at year end:	
Cash and cash equivalents	\$ 580,138
Accounts receivable	49,543
Total financial assets	<u>629,681</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	9,595
Less: Net assets with purpose restrictions to be met in less than a year	<u>(9,595)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 629,681</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

NOTE 3 – ARIZONA COMMUNITY FOUNDATION PRIDE SCHOLARSHIP FUND

The Organization established the Pride Scholarship Fund with an endowment contribution to the Arizona Community Foundation, a community foundation that promotes and facilitates philanthropy. The Organization does not record this endowment on its financial statements as it gave control of the endowment funds to the Arizona Community Foundation to manage and facilitate scholarships from the earnings on the endowment. At its discretion, the Organization may make discretionary contributions to the Fund. The Fund has an accumulated balance of approximately \$92,215 at December 31, 2019.

The Organization made a contribution to the Pride Scholarship Fund of approximately \$57,829 for the year ended December 31, 2019. At year end, \$7,689 of this contribution is accrued as payable.

NOTE 4 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Changes in contract revenue liabilities for the fiscal year are as follows:

	Festivals Deferred Revenue
Beginning of year	<u>\$ 51,129</u>
Revenue recognized that was included in deferred revenues at the beginning of the year	(51,129)
Increase in deferred revenue due to cash received during the period	179,544
End of year	<u>\$ 179,544</u>

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following.

Furniture and equipment	\$ 12,965
Less: Accumulated depreciation	<u>(2,835)</u>
Net property and equipment	<u>\$ 10,130</u>

NOTE 6 – NET ASSETS

Net assets with donor restrictions were as follows:

Specific Purpose	
LGBTQ History Project	\$ 7,011
Rainbow Crosswalks	<u>2,584</u>
Total	<u>\$ 9,595</u>

Net assets released from donor restrictions are as follows:

Satisfaction of purpose restrictions	
LGBTQ History Project	\$ 1,356
Rainbow Crosswalks	<u>4,760</u>
Total	<u>\$ 6,116</u>

NOTE 7 – OPERATING LEASE COMMITMENTS

The Organization leases office space under a noncancelable operating lease with a term of three years. On November 25, 2019, the Organization entered into a new lease effective January 1, 2020 for three years. Total rent expense incurred under the operating lease totaled \$33,654 during the fiscal year.

Year End:		
	2020	\$ 35,400
	2021	36,600
	2022	<u>37,800</u>
Total		<u>\$ 109,800</u>

**PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 8 – DEBT

Phoenix Pride entered into a promissory note with the Arizona Community Foundation, Inc. on November 15, 2016. The promissory note allows for advances of up to a total of \$150,000. Phoenix Pride has been advanced this full amount. The balance of the note payable at December 31, 2019 is \$41,334.

Interest only payments are allowed for six months at four percent interest. Beginning on June 1, 2017 repayment of the note is required in 48 monthly installments of \$3,833, including interest at four percent, with the final payment due on November 1, 2020.

The future scheduled maturities of long-term debt are as follows:

Year End:	2020	\$ 41,334
Total		<u>\$ 41,334</u>

NOTE 9 – DONATED ASSETS AND SERVICES

The fair value of donated services included as festival income in the financial statements and the corresponding program expenses for the current year ended is as follows:

Services	\$ 132,500
Supplies	84,750
Advertising	117,100
Total	<u>\$ 334,350</u>

NOTE 10 – EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Organization sponsors a defined contribution Simple IRA plan (the Plan) covering qualified employees, as defined. The Organization contributes a matching contribution based on the employee's elective contribution up to a maximum of three percent of the employee's annual compensation. The Organization made \$944 of matching contributions for the year ended December 31, 2019.

PHOENIX PRIDE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11– CONCENTRATIONS

The Organization receives approximately 97 percent of revenue in relation to three events: the Phoenix Pride Festival, the Phoenix Pride Parade, and the Rainbows Festival. The Organization purchases various types of insurance to mitigate losses in the situation that these events would be unexpectedly cancelled or affected by weather.

NOTE 12 – SUBSEQUENT EVENT

Subsequent events have been evaluated through June 16, 2020, which is the date the financial statements were available.

In March 2020, a global pandemic was announced due to the novel coronavirus (COVID-19). The Organization postponed the annual Pride Festival from April 4, 2020 and April 5, 2020 to November 7, 2020 and November 8, 2020. As a result of the Pride Festival postponement, the Rainbows Festival that is typically held in November will be combined with the Pride Festival. The postponement and combination of the festivals is not expected to have significant impact on the Organization’s financial position. The Organization has festival insurance through November 8, 2020 that covers various occurrences that could cancel an event and cause the Organization to lose a significant amount of annual event revenue.

On April 1, 2020, the Organization entered into a loan deferment agreement with the Arizona Community Foundation (ACF). The loan balance of \$30,211 will not accrue interest and payments will not be due for the next three months. ACF has the option to extend the deferment period quarterly as necessary.

The Organization also applied for and received a loan under the Paycheck Protection Program created as part of the relief efforts in response to COVID-19. The loan is administered by the Small Business Association. The loan was entered into on April 30, 2020 for a total of \$41,500 with an interest rate of one percent. Payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness up to 100 percent of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the federal government.