# United States Center for SafeSport

**Financial Report**

**December 31, 2021**

# Contents

Plante & Moran, PLLC
Suite 600
8181 E. Tufts Avenue
Denver, CO 80237
Tel: 303.740.9400
Fax: 303.740.9009
plantemoran.com

# Independent Auditor's Report

To the Board of Directors
United States Center for SafeSport

## Report on the Audits of the Financial Statements

### *Opinion*

We have audited the financial statements of United States Center for SafeSport (the "Center"), which comprise the statement of financial position as of December 31, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Center and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Center's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### *Auditor’s Responsibilities for the Audits of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government 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 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.

To the Board of Directors
United States Center for SafeSport

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Center'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 Center'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2022 on our consideration of United States Center for SafeSport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United States Center for SafeSport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United States Center for SafeSport's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 2, 2022

# Statement of Financial Position

**December 31, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 8,070,896 | $ 4,409,459 |
| Receivables: | | |
| Accounts receivable - Net | 254,199 | 326,196 |
| Grants receivable | 363,707 | 512,573 |
| Prepaid expenses and other current assets | 486,847 | 661,564 |
| Total current assets | 9,175,649 | 5,909,792 |
| **Property and Equipment** - Net | 121,789 | 120,220 |
| **Capitalized Software** - Net | 476,178 | 166,264 |
| Total assets | **$ 9,773,616** | **$ 6,196,276** |
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 586,227 | $ 717,750 |
| Accrued expenses | 878,133 | 344,413 |
| Deferred revenue | 138,919 | 134,183 |
| Paycheck Protection Program loan - Current | - | 464,780 |
| Total current liabilities | 1,603,279 | 1,661,126 |
| **Paycheck Protection Program Loan** - Net of current portion | - | 373,220 |
| Total liabilities | 1,603,279 | 2,034,346 |
| **Net Assets** | | |
| Without donor restrictions: | | |
| Undesignated | 2,670,337 | 1,661,930 |
| Board designated - Operating reserve | 5,500,000 | 2,500,000 |
| Total net assets without donor restrictions | 8,170,337 | 4,161,930 |
| Total liabilities and net assets | **$ 9,773,616** | **$ 6,196,276** |

# Statement of Activities and Changes in Net Assets

**Years Ended December 31, 2021 and 2020**

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **Revenue, Gains, and Other Support** | | | | | | |
| USOPC support | $20,000,000 | $ - | $20,000,000 | $11,510,000 | $ - | $11,510,000 |
| Federal grants | 3,333,725 | - | 3,333,725 | 2,010,290 | - | 2,010,290 |
| Fees for service | 1,077,805 | - | 1,077,805 | 423,142 | - | 423,142 |
| NGB fees | - | - | - | 2,540,594 | - | 2,540,594 |
| Contributions | 14,037 | - | 14,037 | 15,046 | - | 15,046 |
| Other income | 101,912 | - | 101,912 | 18,468 | - | 18,468 |
| Net assets released from restrictions | - | - | - | 175,000 | (175,000) | - |
| Total revenue, gains, and other support | 24,527,479 | - | 24,527,479 | 16,692,540 | (175,000) | 16,517,540 |
| **Expenses** | | | | | | |
| Program services | 16,551,398 | - | 16,551,398 | 11,211,932 | - | 11,211,932 |
| Support services: | | | | | | |
| Fundraising | 126,221 | - | 126,221 | 62,648 | - | 62,648 |
| General and administrative | 4,679,453 | - | 4,679,453 | 3,768,971 | - | 3,768,971 |
| Total support services | 4,805,674 | - | 4,805,674 | 3,831,619 | - | 3,831,619 |
| Total expenses | 21,357,072 | - | 21,357,072 | 15,043,551 | - | 15,043,551 |
| **Increase (Decrease) in Net Assets** - Before nonoperating income | 3,170,407 | - | 3,170,407 | 1,648,989 | (175,000) | 1,473,989 |
| **Nonoperating Income** - Forgiveness of debt income | 838,000 | - | 838,000 | - | - | - |
| **Increase (Decrease) in Net Assets** | 4,008,407 | - | 4,008,407 | 1,648,989 | (175,000) | 1,473,989 |
| **Net Assets** - Beginning of year | 4,161,930 | - | 4,161,930 | 2,512,941 | 175,000 | 2,687,941 |
| **Net Assets** - End of year | **$ 8,170,337** | **$ -** | **$ 8,170,337** | **$ 4,161,930** | **$ -** | **$ 4,161,930** |

See notes to financial statements.

# Statement of Functional Expenses

**Year Ended December 31, 2021**

| | Program Services | | | | Support Services | | |
|---|---|---|---|---|---|---|---|
| | Audit and Compliance (for NGBs and USOPC) | Education and Outreach | Response and Resolution | Total | Fundraising | General and Administrative | Total |
| Compensation and benefits | $ 997,386 | $ 1,518,014 | $ 6,191,659 | $ 8,707,059 | $ 21,705 | $ 2,914,831 | $ 11,643,595 |
| Travel | 81,387 | 39,364 | 62,078 | 182,829 | - | 38,015 | 220,844 |
| Professional fees | 46,119 | 636,103 | 1,777,977 | 2,460,199 | 93,578 | 941,620 | 3,495,397 |
| Legal fees | 15,026 | 14,665 | 1,126,058 | 1,155,749 | - | 298,264 | 1,454,013 |
| Technology | 69,586 | 2,324,174 | 750,602 | 3,144,362 | - | 190,931 | 3,335,293 |
| Professional education | 4,127 | 5,849 | 55,223 | 65,199 | - | 38,632 | 103,831 |
| Insurance | 39,983 | 48,195 | 237,157 | 325,335 | 4,378 | 108,042 | 437,755 |
| Depreciation | 2,487 | 156,925 | 16,770 | 176,182 | 1,852 | 5,608 | 183,642 |
| Rent | 18,730 | 20,857 | 109,498 | 149,085 | 2,012 | 50,128 | 201,225 |
| Office supplies and other | 14,845 | 23,532 | 147,022 | 185,399 | 2,696 | 93,382 | 281,477 |
| **Total functional expenses** | **$ 1,289,676** | **$ 4,787,678** | **$ 10,474,044** | **$ 16,551,398** | **$ 126,221** | **$ 4,679,453** | **$ 21,357,072** |

See notes to financial statements.

# Statement of Functional Expenses

**Year Ended December 31, 2020**

| | Program Services | | | | Support Services | | |
|---|---|---|---|---|---|---|---|
| | Audit and Compliance (for NGBs and USOPC) | Education and Outreach | Response and Resolution | Total | Fundraising | General and Administrative | Total |
| Compensation and benefits | $ 930,036 | $ 1,150,746 | $ 3,871,723 | $ 5,952,505 | $ 37,293 | $ 2,287,881 | $ 8,277,679 |
| Travel | 12,612 | 14,978 | 20,850 | 48,440 | - | 15,996 | 64,436 |
| Professional fees | 25,312 | 435,413 | 756,924 | 1,217,649 | 13,998 | 671,181 | 1,902,828 |
| Legal fees | - | 1,720 | 846,485 | 848,205 | - | 125,319 | 973,524 |
| Technology | 81,570 | 1,359,667 | 581,555 | 2,022,792 | - | 369,009 | 2,391,801 |
| Professional education | 1,493 | 6,814 | 25,205 | 33,512 | - | 22,764 | 56,276 |
| Insurance | 42,822 | 52,671 | 205,160 | 300,653 | 3,970 | 92,369 | 396,992 |
| Depreciation and amortization | 2,354 | 308,942 | 13,461 | 324,757 | 3,334 | 5,345 | 333,436 |
| Rent | 24,275 | 31,891 | 119,758 | 175,924 | 2,331 | 54,835 | 233,090 |
| Office supplies and other | 31,938 | 69,795 | 185,762 | 287,495 | 1,722 | 124,272 | 413,489 |
| Total functional expenses | **$ 1,152,412** | **$ 3,432,637** | **$ 6,626,883** | **$ 11,211,932** | **$ 62,648** | **$ 3,768,971** | **$ 15,043,551** |

See notes to financial statements.

# Statement of Cash Flows

**Years Ended December 31, 2021 and 2020**

| | 2021 | 2020 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net income | $ 4,008,407 | $ 1,473,989 |
| Adjustments to reconcile net income to net cash and cash equivalents from operating activities: | | |
| Depreciation and amortization | 183,642 | 333,436 |
| Loss on disposal of property and equipment | - | 102,708 |
| Bad debt expense | 4,185 | 138,954 |
| Gain on forgiveness of debt | (838,000) | - |
| Changes in operating assets and liabilities that provided (used) cash and cash equivalents: | | |
| Accounts receivable | 67,812 | (324,475) |
| Grants receivable | 148,866 | (399,569) |
| Prepaid expenses and other assets | 174,717 | (481,810) |
| Accounts payable | (131,523) | 315,621 |
| Accrued expenses | 533,720 | (38,094) |
| Deferred revenue | 4,736 | 53,371 |
| Net cash and cash equivalents provided by operating activities | 4,156,562 | 1,174,131 |
| **Cash Flows from Investing Activities** | | |
| Purchase of property and equipment | (31,269) | (24,259) |
| Additions to capitalized software | (463,856) | (20,530) |
| Net cash and cash equivalents used in investing activities | (495,125) | (44,789) |
| **Cash Flows Provided by Financing Activities** - Proceeds from Paycheck Protection Program loan | - | 838,000 |
| **Net Increase in Cash and Cash Equivalents** | 3,661,437 | 1,967,342 |
| **Cash and Cash Equivalents** - Beginning of year | 4,409,459 | 2,442,117 |
| **Cash and Cash Equivalents** - End of year | **$ 8,070,896** | **$ 4,409,459** |

See notes to financial statements.

## Note 1 - Nature of Business

United States Center for SafeSport (the "Center"), an independent nonprofit corporation, was incorporated in the State of Colorado in 2014. The Center's primary objective is the development and implementation of a national SafeSport program for athletes of all ages and abilities that promotes an environment free from sexual misconduct, emotional misconduct, physical misconduct, bullying, harassment, and hazing. This program includes standards, policies, and guidelines that focus on athletes' physical, emotional, and social development. The Center also works to improve the overall athletic experience by providing response and resolution services, audit and compliance services, education and training, outreach services, and abuse prevention tools and resources.

The Center primarily interfaces with the United States Olympic & Paralympic Committee (USOPC), the National Governing Bodies (NGBs), U.S. sport organizations, public and governmental organizations, private entities, and athletes on issues related to the SafeSport program. The Center's responsibility is to develop and deliver education, awareness, and abuse prevention programming; promote research; and develop best practices regarding the prevention of sexual and other misconduct for the benefit of the USOPC, NGBs, U.S. sport organizations, and athletes. The Center is also responsible for providing the fair, timely, and independent investigation and adjudication of sexual and other misconduct allegations. The Center's audit and compliance team conducts regular and random audits of NGBs and the USOPC to ensure training is administered consistently and appropriately and policies and procedures are implemented correctly.

The Center's principal operations commenced in 2016 and were funded primarily by contributions from the USOPC. Prior to commencing principal operations, the national SafeSport program was an initiative of the USOPC. Once the Center formally opened in early 2017, the principal operations of the Center were funded by annual support from the USOPC, annual fees from NGBs, grants, and general contributions. Effective January 1, 2021, consistent annual Center funding from the U.S. Olympic and Paralympic Movement was solidified by enactment of the federal Empowering Olympic, Paralympic, and Amateur Athletes Act of 2020.

## Note 2 - Significant Accounting Policies

***Basis of Accounting***

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

***Classification of Net Assets***

Net assets of the Center are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Center.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

***Board-designated Net Assets***

Board-designated net assets are net assets without donor restrictions designated by the board for an operating reserve to support and sustain the finances of the Center if faced with unanticipated and significant budgetary losses or changes. These designations are based on board actions, which can be altered or revoked at a future time by the board.

## Note 2 - Significant Accounting Policies (Continued)

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Center considers all investments with an original maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio or otherwise encumbered.

***Grants Receivable***

Grants receivable represent amounts due resulting from the performance of requirements under grant agreements. The Center considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

***Accounts Receivable***

Accounts receivable represent amounts due from the NGBs for annual fees and amounts due from customers for trainings to be provided. The Center has allowance for doubtful accounts as of December 31, 2021 and 2020 of $0 and $137,894, respectively.

***Revenue Recognition***

Unconditional promises to give cash and other assets to the Center are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional. Conditional promises to give are defined as those with a measurable performance or other barrier and a right of return. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 restrictions. Donor-restricted contributions whose restrictions are met in the year in which they are received are reported as contributions without donor restrictions in the accompanying financial statements.

A portion of the Center's revenue is derived from cost-reimbursable federal grants, which are conditional upon certain performance requirements or the incurrence of allowable qualifying expenses. Amounts awarded are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. The Center received cost-reimbursable grants of $3,058,730 and $4,125,291 that have not been recognized at December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred.

In 2020, the Center recognized revenue from the annual fees charged to the NGBs. The Center has performance obligations to provide services throughout the year for response and resolution for investigations, to provide education and outreach, and to provide trainings throughout the year. Revenue is recognized ratably throughout the year as the services are performed. Revenue recognized over time in 2020 related to annual fees was $2,540,594. In 2021, these fees were eliminated and replaced by additional funding from the USOPC.

## Note 2 - Significant Accounting Policies (Continued)

The Center recognizes fee-for-service revenue for trainings provided. Revenue is recognized at a point in time when the trainings are provided. Revenue recognized at a point in time in 2021 and 2020 for trainings was $1,077,805 and $423,142, respectively. Participants are required to register and pay before the training occurs. The Center recognized deferred revenue of $138,919 and $134,183 as of December 31, 2021 and 2020, respectively, related to fees received for trainings that had not been provided yet.

The opening balance of accounts receivable related to contracts with customers as of January 1, 2021 and 2020 was $326,196 and $140,675, respectively. The opening balance of deferred revenue related to contracts with customers as of January 1, 2021 and 2020 was $134,183 and $80,812, respectively.

For the years ended December 31, 2021 and 2020, 95 percent and 82 percent, respectively, of the Center's revenue was provided by two supporters.

For both the years ended December 31, 2021 and 2020, 100 percent of the Center's grants receivable balance was provided by one supporter.

***Income Taxes***

The Center is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

***Property and Equipment***

Property and equipment are recorded at cost if purchased or fair value at the date of donation if in excess of $5,000. Depreciation and amortization are provided on the straight-line method based upon the estimated useful lives for owned assets, which range from three to seven years. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Construction in progress is not depreciated until construction is complete and the assets are placed in service.

***Capitalized Software Costs***

The Center capitalizes significant costs incurred in the acquisition or development of software for internal use, including the costs of the software, materials, consultants, payroll, and payroll-related costs for employees incurred in developing internal-use computer software once final selection of the software is made. Costs incurred prior to the final selection of software and costs not qualifying for capitalization are charged to expense. Capitalized software costs are amortized over their useful lives of three years.

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs have been allocated between the various program and support services on several bases and estimates. Costs have been assigned between the various program and support services directly when possible (i.e., expenses directly attributable to specific programs and departments, such as most salaries, travel expenses, etc.), allocated based on employees' overall time spent on the functional areas and departments when not specifically identifiable (such as employees who work in more than one area), and allocated based on headcount (such as rent, office supplies, and expenses, etc.). Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

## Note 2 - Significant Accounting Policies (Continued)

***Upcoming Accounting Pronouncement***

The Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, *Leases (Topic 842),* which will supersede the current lease requirements in Accounting Standards Codification 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Center's year ending December 31, 2022 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the Center's financial statements as a result of the Center's operating leases, as disclosed in Note 8, that will be reported on the statement of financial position at adoption. Upon adoption, the Center will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including June 2, 2022, which is the date the financial statements were available to be issued.

## Note 3 - Liquidity

The Center has $8,688,802 and $5,248,228 of financial assets available within one year of December 31, 2021 and 2020 to meet cash needs for general expenditures consisting of cash of $8,070,896 and $4,409,459 and receivables of $617,906 and $838,769, respectively. As of December 31, 2021 and 2020, $5,500,000 and $2,500,000, respectively, of the financial assets are subject to donor, board, or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## Note 4 - Property and Equipment

Property and equipment are summarized as follows:

| | 2021 | 2020 |
|---|---|---|
| Leasehold improvements | $ 177,090 | $ 145,821 |
| Computers | 24,259 | 24,259 |
| Total cost | 201,349 | 170,080 |
| Accumulated depreciation | 79,560 | 49,860 |
| Net property and equipment | $ 121,789 | $ 120,220 |

Depreciation expense for 2021 and 2020 was $29,701 and $25,523, respectively.

## Note 5 - Capitalized Software

Capitalized software is summarized as follows:

| | 2021 | 2020 |
|---|---|---|
| Capitalized software | $ 1,356,243 | $ 1,269,111 |
| Capitalized software in progress | 376,723 | - |
| Accumulated amortization | (1,256,788) | (1,102,847) |
| Net capitalized software | $ 476,178 | $ 166,264 |

Amortization expense for 2021 and 2020 was $153,941 and $307,913, respectively.

## Note 6 - Accrued Expenses

The following is the detail of accrued expenses:

| | 2021 | 2020 |
|---|---|---|
| Accrued payroll | $ 375,799 | $ 12,058 |
| Accrued professional fees | 19,967 | - |
| Accrued vacation | 462,328 | 307,162 |
| Other accrued liabilities | 20,039 | 25,193 |
| Total | $ 878,133 | $ 344,413 |

## Note 7 - Paycheck Protection Program Loan

During the year ended December 31, 2020, the Center received a Paycheck Protection Program (PPP) loan in the amount of $838,000. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met.

During 2021, the Center applied for and received forgiveness of the loan from the SBA. Loan forgiveness in the amount of $838,000 has been recorded as forgiveness of debt income in nonoperating income on the statement of activities and changes in net assets.

## Note 8 - Operating Leases

The Center is obligated under noncancelable operating lease agreements, primarily for office space and a copier, that require monthly payments totaling approximately $17,500. The office lease increases every 12 months over the term of the lease until November 2023, after which it does not increase. The other leases expire at dates ranging from November 2021 to January 2023.

Future minimum annual commitments under these operating leases are as follows:

| Years Ending December 31 | Amount |
|---|---|
| 2022 | $ 205,557 |
| 2023 | 208,283 |
| 2024 | 208,283 |
| 2025 | 184,628 |
| Total | $ 806,751 |