

**SOCIETY FOR CREATIVE ANACHRONISM, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

AND

INDEPENDENT AUDITORS' REPORT



SOCIETY FOR CREATIVE ANACHRONISM, INC.

TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Consolidated Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6 - 7
Notes to Consolidated Financial Statements	8 - 13



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Society for Creative Anachronism, Inc.
San Jose, California

Opinion

We have audited the accompanying consolidated financial statements of Society for Creative Anachronism, Inc. (a California nonprofit public benefit corporation) and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Society for Creative Anachronism, Inc. as of December 31, 2021, and the change 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 Consolidated Financial Statements section of our report. We are required to be independent of Society for Creative Anachronism, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Society for Creative Anachronism, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Society for Creative Anachronism, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Society for Creative Anachronism, Inc.'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 Society for Creative Anachronism, Inc.'s 2020 consolidated financial statements, and our report dated September 27, 2021 expressed an unmodified opinion on those audited consolidated financial statements. 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 consolidated financial statements from which it has been derived.

Johanson & Yau Accountancy Corporation

Campbell, California
November 30, 2022

SOCIETY FOR CREATIVE ANACHRONISM, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(With Comparative Totals as of December 31, 2020)

ASSETS

	2021	2020
Current assets		
Cash and cash equivalents	\$ 6,918,961	\$ 7,106,754
Investments - Note 3	910,631	952,940
Other receivables	32,547	29,881
Inventory	107,152	136,207
Prepaid expenses	198,473	197,632
Total current assets	8,167,764	8,423,414
Property and equipment, net - Note 4	106,844	139,801
Other assets	33,408	136,909
Cash - restricted	-	27,790
	\$ 8,308,016	\$ 8,727,914

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 12,049	\$ 1,241
Accrued expenses	29,481	89,278
Subscription liability and deferred revenue	322,762	183,835
Other liabilities	16,990	7,804
Refundable advance - Note 8	-	37,087
Total current liabilities	381,282	319,245
Net assets		
Without donor restrictions	7,926,734	8,380,879
With donor restrictions - Note 5	-	27,790
	7,926,734	8,408,669
	\$ 8,308,016	\$ 8,727,914

See accompanying notes to financial statements

SOCIETY FOR CREATIVE ANACHRONISM, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Operating activities				
Support and revenue				
Donations	\$ 129,642	\$ -	\$ 129,642	\$ 134,663
Fundraising	46,808	-	46,808	50,700
Membership fees	764,349	-	764,349	795,263
Program service revenue	507,061	-	507,061	703,942
Affiliation fee	5,614	-	5,614	6,591
Stock clerk	38,790	-	38,790	24,065
Interest and dividends	34,071	-	34,071	28,329
Sales of inventory, net	(719)	-	(719)	231
Loan forgiveness - Note 8	37,087	-	37,087	-
Other income	20,806	-	20,806	35,161
Net assets released from restrictions	27,790	(27,790)	-	-
 Total support and revenue	 <u>1,611,299</u>	 <u>(27,790)</u>	 <u>1,583,509</u>	 <u>1,778,945</u>
Expenses				
Program services	743,812	-	743,812	1,152,936
Supporting expenses				
Management and general	1,356,410	-	1,356,410	1,294,827
Fundraising	7,175	-	7,175	5,821
 Total expenses	 <u>2,107,397</u>	 <u>-</u>	 <u>2,107,397</u>	 <u>2,453,584</u>
 Change in net assets from operations	 (496,098)	 (27,790)	 (523,888)	 (674,639)
Non-operating activities				
Investment return, net - Note 3	41,953	-	41,953	16,473
 Change in net assets	 (454,145)	 (27,790)	 (481,935)	 (658,166)
Net assets, beginning of the year	<u>8,380,879</u>	<u>27,790</u>	<u>8,408,669</u>	<u>9,066,835</u>
Net assets, end of year	<u>\$ 7,926,734</u>	<u>\$ -</u>	<u>\$ 7,926,734</u>	<u>\$ 8,408,669</u>

See accompanying notes to financial statements

SOCIETY FOR CREATIVE ANACHRONISM, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	<u>2021</u>			<u>2020</u>	
	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ -	\$ 261,364	\$ -	\$ 261,364	\$ 219,468
Payroll taxes	-	25,608	-	25,608	19,720
Employee benefits	-	33,860	-	33,860	27,731
 Total salaries and related expenses	 -	 320,832	 -	 320,832	 266,919
 Tournaments Illuminated magazine	 -	 10,028	 -	 10,028	 10,848
Food	25,906	22	138	26,066	95,151
Bank fees	327	52,139	-	52,466	50,731
Printing and publication	3,791	90,006	1,368	95,165	74,354
Professional services	-	98,405	-	98,405	92,566
Rent and site charges	321,585	180,617	200	502,402	507,604
Equipment rental and maintenance	115,044	33,204	-	148,248	191,606
Dues and fees	13,670	29,364	50	43,084	69,132
Insurance	3,684	128,063	-	131,747	168,061
Advertising	-	-	-	-	1,422
Bad debts	390	124	-	514	1,812
Repairs and maintenance	-	44,811	-	44,811	40,107
Donations	14,736	-	-	14,736	9,486
Stock clerk	-	38,924	-	38,924	19,971
Postage	7,286	26,069	444	33,799	32,003
Supplies	78,818	23,580	4,975	107,373	434,300
Office expense	-	51,900	-	51,900	67,337
Depreciation expense	130,959	17,185	-	148,144	72,226
Utilities	-	8,686	-	8,686	9,360
Other expenses	4,109	47,458	-	51,567	44,194
Travel, meetings and conferences	23,507	19,290	-	42,797	66,344
Website	-	135,703	-	135,703	128,050
 Total functional expenses	 <u>\$ 743,812</u>	 <u>\$ 1,356,410</u>	 <u>\$ 7,175</u>	 <u>\$ 2,107,397</u>	 <u>\$ 2,453,584</u>

See accompanying notes to financial statements

SOCIETY FOR CREATIVE ANACHRONISM, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	2021	2020
Cash flow from operating activities		
Change in net assets	\$ (481,935)	\$ (658,166)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Reinvested dividends and interest	(32,102)	(22,629)
Investment return, net	(41,953)	(16,473)
Depreciation	148,144	72,226
Inventory write-off	14,710	3,213
Loan forgiveness	(37,087)	-
(Increase) decrease in assets		
Other receivables	(2,666)	18,063
Inventory	14,345	5,287
Prepaid expenses	(841)	(18,584)
Other asset	103,501	317,649
Increase (decrease) in liabilities		
Accounts payable	10,808	(1,590)
Accrued expenses	(59,797)	(32,170)
Subscription liability and deferred revenue	138,927	(126,063)
Other liabilities	9,186	(1,307)
	<u>(216,760)</u>	<u>(460,544)</u>
Net cash used for operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(115,187)	(35,900)
Proceeds from sales of investments	150,091	890,731
Purchase of investments	(33,727)	(694,964)
	<u>1,177</u>	<u>159,867</u>
Net cash provided by investing activities		
Cash flows from financing activities		
Refundable advance	-	37,087
	<u>-</u>	<u>37,087</u>
Net cash provided by financing activities		
Net decrease in cash and cash equivalents	(215,583)	(263,590)
Cash, cash equivalents and restricted cash, beginning of year	<u>7,134,544</u>	<u>7,398,134</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 6,918,961</u>	<u>\$ 7,134,544</u>

See accompanying notes to financial statements

SOCIETY FOR CREATIVE ANACHRONISM, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)
(Continued)

	2021	2020
Reconciliation of cash, cash equivalents and restricted cash reported on statement of financial position to total on statements of cash flows		
Cash and cash equivalents	\$ 6,918,961	\$ 7,106,754
Restricted cash	-	27,790
	\$ 6,918,961	\$ 7,134,544

See accompanying notes to financial statements

SOCIETY FOR CREATIVE ANACHRONISM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization - Society for Creative Anachronism, Inc. (the Organization) is an international organization dedicated to researching and re-creating the arts and skills of pre-17th century Europe. The Organization consists of kingdoms across the United States of America, Canada, Europe and other foreign countries and wholly owned subsidiaries, with over 30,000 members residing in countries around the world. Members, dressed in clothing of the Middle Ages and Renaissance, attend events which may feature tournaments, arts exhibits, classes, workshops, dancing, feasts and more.

Consolidation - These consolidated financial statements include the activities of the Corporate Office, 16 Kingdoms operating in the United States of America that are not considered to be an affiliate or subsidiary and 16 Subsidiaries in which the Organization has both an economic interest and controlling interest. There is an element of economic interest since the Subsidiaries hold significant resources that must be used only for the purposes of the Organization. The Organization and Subsidiaries have common control since officers of the Organization's Board of Directors sit on the Subsidiaries' Board of Directors. Accordingly, the accounts of the Subsidiaries have been consolidated herein, in accordance with accounting principles generally accepted in the United States of America. All material intra-entity balances and transactions have been eliminated.

The Corporate Office runs the day to day operations of the Organization including the processing of memberships and all membership-related matters, while the Kingdoms support administration and activities of the local groups.

The following 100% owned Subsidiaries, all granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code, are included in the consolidated financial statements of the Organization:

- Society for Creative Anachronism – Gulf Wars, Inc.
- Society for Creative Anachronism – Illinois, Inc.
- Society for Creative Anachronism – Maine, Inc.
- Society for Creative Anachronism – Maryland, Inc.
- Society for Creative Anachronism – Massachusetts, Inc.
- Society for Creative Anachronism – Michigan, Inc.
- Society for Creative Anachronism – Mississippi, Inc.
- Society for Creative Anachronism – New Hampshire, Inc.
- Society for Creative Anachronism – New Jersey, Inc.
- Society for Creative Anachronism – New York, Inc.
- Society for Creative Anachronism – Pennsic War, Inc.
- Society for Creative Anachronism – Pennsylvania, Inc.
- Society for Creative Anachronism – Rhode Island, Inc.
- Society for Creative Anachronism – Tennessee, Inc.
- Society for Creative Anachronism – West Virginia, Inc.
- Society for Creative Anachronism – Wisconsin, Inc.

Basis of Accounting - The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with GAAP.

SOCIETY FOR CREATIVE ANACHRONISM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation - The Organization reports information regarding its consolidated financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations - The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of consolidated cash flows, cash equivalents include unrestricted cash in banks and money market fund accounts and highly liquid investments with an original maturity of three months or less. The Organization often maintains cash balances in excess of the federally insured maximum.

Investments - Investments in marketable securities with readily determinable fair value are stated at market value. Dividends and interest are accrued as earned and recorded as revenue without donor restrictions unless income is restricted by the donor. Any unrealized gains or losses from the current period are reported as investment income or loss.

Inventory - Inventory consists of printed publications and materials that are related to its exempt purpose. Inventories are stated at the lower of cost or market applied on a first-in, first-out basis.

Property and Equipment - Property and equipment are recorded at cost, or if contributed, at the estimated fair value when donated. Depreciation is computed using the straight-line method over estimated useful lives of the respective assets ranging from 5 to 10 years. Depreciation is recorded as a decrease in net assets without donor restrictions and the expense is charged to the activity benefiting from the use of the property or equipment.

SOCIETY FOR CREATIVE ANACHRONISM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription Liability - Subscription liability represents amounts received and allocated to subscriptions but not yet earned. Subscriptions are from 12 to 36 months and are amortized accordingly.

Revenue Recognition - Membership fees are charged on an annual basis. The amount internally allocated to membership is recognized when received and the portion allocated to subscriptions is recorded as revenue ratably over the membership term. The balance is recorded as subscription liability on the statement of financial position.

Program service revenue includes event income that is recognized as earned. Prepayments collected for future events are recorded as deferred revenue.

Donations are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. 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. 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 as net assets released from restrictions.

Functional Allocation of Expenses - The costs of providing program and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program and support services benefited based on management's estimate. The method of allocation for all expenses is direct usage.

Contributed Services - Various individuals contribute administrative services to the Organization. The value of the contributed services, that do not require expertise but are nonetheless central to the Organization's operations, are not reflected in the financial statements.

Income taxes - The Organization is exempt from federal and state income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and similar state provisions and has been determined to be an organization which is not a private Organization. The Organization's tax filings are subject to audit by various taxing authorities.

Advertising - The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expenses for the year ended December 31, 2021 totaled \$0.

New Accounting Pronouncement Not Adopted - The Financial Accounting Standards Board issued new accounting guidance for leases. The new guidance requires lessees to recognize lease assets and lease liabilities for all leases with terms more than 12 months in the statement of financial position and disclose key information about leasing agreements. This new guidance is effective for annual reporting periods beginning after December 15, 2021 with early adoption permitted. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

Reclassifications - Certain 2020 amounts have been reclassified to conform to the 2021 presentation. There was no effect on change in net assets.

Subsequent Events - Subsequent events were evaluated through November 30, 2022, the date the financial statements were available to be issued.

SOCIETY FOR CREATIVE ANACHRONISM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - AVAILABILITY AND LIQUIDITY

As of December 31, 2021, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 6,918,961
Investments	910,631
Other receivables	<u>32,547</u>
	<u>\$ 7,862,139</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, excess cash is invested in short-term investments, including money market accounts, certificates of deposit and mutual funds.

NOTE 3 - INVESTMENTS

Generally accepted accounting principles establish a hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the assets based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Values are unadjusted quoted prices for identical assets or liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization's investments recorded at fair value, have been categorized based upon a fair value hierarchy in accordance with generally accepted accounting principles. The following table presents information about the Organization's assets measured at fair value.

SOCIETY FOR CREATIVE ANACHRONISM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - INVESTMENTS (Continued)

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)
Mutual Funds	\$ 910,631	\$ 910,631

The Organization did not have any Level 2 or Level 3 investments at December 31, 2021.

Net investment return was as follows for the year ended December 31, 2021:

Net realized and unrealized investment gain	\$ 53,310
Investment fees	(11,357)
	\$ 41,953

NOTE 4 - PROPERTY AND EQUIPMENT

Following is a summary of property and equipment for the year ended December 31, 2021:

Computer equipment - Corporate	\$ 46,426
Furniture and equipment - Corporate	9,595
Software - Corporate	41,949
Furniture and equipment - Kingdom	1,044,205
Furniture and equipment - Subsidiaries	549,796
	1,691,971
Accumulated depreciation	(1,585,126)
	\$ 106,845

Depreciation expense for the year ended December 31, 2021 was \$148,144.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions relate to the Christopher & Victoria Bone original donation of \$40,000. These funds are restricted for the purchase and issuance of specific dance books to “Baronial” groups with every Kingdom. In September 2021, the donor released the restriction and instructed the Organization to move the remaining balance into the general fund. The balance of the restricted assets as of December 31, 2021 was \$0.

SOCIETY FOR CREATIVE ANACHRONISM, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - LEASES

The Organization leases Corporate office space under an operating lease that expires in August 2023. Rent expense includes a base rent plus charges for certain common area expenses. Rent expense for 2021 was \$69,206. The Organization leases office equipment which expires in various years through October 2025. Total lease payments for office equipment were \$15,278.

Following are the future minimum lease payments required under these leases:

2022	\$	41,832
2023		27,286
2024		7,140
2025		<u>5,950</u>
	\$	<u><u>82,208</u></u>

NOTE 7 - RETIREMENT PLAN

The Organization maintains a 403(b) pension plan. Permanent employees are eligible to participate after 90 days of employment. The Organization contributes 7% of the employee's gross salary. In addition, employees make elective contributions to the plan. The Organization contributed \$18,623 to the plan for the year ended December 31, 2021.

NOTE 8 - REFUNDABLE ADVANCE

In May 2020, the Organization entered into a promissory note with WebBank to borrow \$37,087 under the Paycheck Protection Program (PPP). The unsecured note payable bore an interest rate of 1%. Principal and interest payments were deferred during the first six months. The Organization applied for loan forgiveness in June 2021 and received notification of full forgiveness in August 2021. The forgiven portion of advance was reclassified into revenue in 2021.

NOTE 9 - UNCERTAINTIES

The COVID-19 outbreak is disrupting events typically held by the Organization. The extent of the impact of COVID-19 on the Organization's operational performance will depend on certain developments, including the duration and spread of the outbreak and the overall impact on the community, all of which are uncertain and cannot be predicted. As of the date of the report, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain. No adjustments related to the effects of the pandemic have been recorded in the accompanying financial statements.