

THE FAB FOUNDATION

Financial Statements

December 31, 2021 and 2020

THE FAB FOUNDATION

December 31, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors
The Fab Foundation
Boston, Massachusetts

Opinion

We have audited the financial statements of The Fab Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 Fab Foundation 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Fab Foundation and to meet our other 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 Fab Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 an audit conducted in accordance with GAAS 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Fab Foundation'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 Fab Foundation'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.

Edelstein & Company LLP

Boston, Massachusetts
November 9, 2022

THE FAB FOUNDATION

Statements of Financial Position December 31,

	2021	2020
Assets:		
Cash	\$ 2,304,015	\$ 2,844,776
Accounts receivable	247,153	72,197
Grants receivable	1,038,000	656,578
Prepaid expenses and other assets	13,024	10,548
Equipment, net	738	1,477
Total assets	<u>\$ 3,602,930</u>	<u>\$ 3,585,576</u>
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 103,669	\$ 217,523
Accrued expenses	168,965	255,840
Paycheck Protection Program loan	-	192,800
Line of credit	135,000	135,000
Deferred revenue	255,056	257,539
Total liabilities	<u>662,690</u>	<u>1,058,702</u>
Net assets (deficit):		
Without donor restrictions	(57,932)	(230,201)
With donor restrictions	2,998,172	2,757,075
	<u>2,940,240</u>	<u>2,526,874</u>
Total liabilities and net assets	<u>\$ 3,602,930</u>	<u>\$ 3,585,576</u>

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Statements of Activities and Changes in Net Assets For the Years Ended December 31,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains:						
Contracts	\$ 755,810	\$ -	755,810	\$ 518,030	\$ -	\$ 518,030
Grants and contributions	61,794	1,967,146	2,028,940	52,332	3,111,952	3,164,284
Tuition	625,871	-	625,871	699,354	-	699,354
Interest income	568	-	568	1,060	-	1,060
Gain on forgiveness of Paycheck Protection Program loan	192,800	-	192,800	-	-	-
Net assets released from restrictions	1,726,049	(1,726,049)	-	2,879,171	(2,879,171)	-
Total revenue, support and gains	3,362,892	241,097	3,603,989	4,149,947	232,781	4,382,728
Expenses:						
Program services:						
Organizational services	2,150,463	-	2,150,463	3,444,002	-	3,444,002
Education	628,646	-	628,646	572,507	-	572,507
Total program services	2,779,109	-	2,779,109	4,016,509	-	4,016,509
Management and general	401,695	-	401,695	354,533	-	354,533
Fundraising	9,819	-	9,819	9,981	-	9,981
Total expenses	3,190,623	-	3,190,623	4,381,023	-	4,381,023
Change in net assets	172,269	241,097	413,366	(231,076)	232,781	1,705
Net assets (deficit), beginning of year	(230,201)	2,757,075	2,526,874	875	2,524,294	2,525,169
Net assets (deficit), end of year	\$ (57,932)	\$ 2,998,172	\$ 2,940,240	\$ (230,201)	\$ 2,757,075	\$ 2,526,874

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

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Statements of Cash Flows

For the Years Ended December 31,

2021

2020

Cash flows from operating activities:

Change in net assets	\$ 413,366	\$ 1,705
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt expense	3,475	1,067
Depreciation	739	1,432
Equipment grants	-	265,800
Gain on forgiveness of Paycheck Protection Program loan	(192,800)	-
Changes in operating assets and liabilities:		
Accounts receivable	(178,431)	84,586
Grants receivable	(381,422)	(573,078)
Prepaid expenses and other assets	(2,476)	(2,178)
Accounts payable	(113,854)	(37,211)
Accrued expenses	(86,875)	113,358
Deferred revenue	(2,483)	(9,641)
Net cash used in operating activities	<u>(540,761)</u>	<u>(154,160)</u>

Cash flows from investing activities:

Purchases of equipment	<u>-</u>	<u>(2,216)</u>
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Cash flows from financing activities:

Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>192,800</u>
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Net (decrease) increase in cash	(540,761)	36,424
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Cash, beginning of year	<u>2,844,776</u>	<u>2,808,352</u>
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Cash, end of year	<u>\$ 2,304,015</u>	<u>\$ 2,844,776</u>
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Supplemental disclosure of cash flows information:

Cash paid during the year for interest	<u>\$ 15,390</u>	<u>\$ 17,935</u>
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**Statements of Functional Expenses
For the Years Ended December 31,**

	2021						2020					
	Program Services		Total Program Services	Management and General	Fundraising	Total	Program Services		Total Program Services	Management and General	Fundraising	Total
	Organizational Services	Education					Organizational Services	Education				
Professional fees	\$ 638,045	\$ 212,441	\$ 850,486	\$ 237,378	\$ -	\$ 1,087,864	\$ 439,422	\$ 178,647	\$ 618,069	\$ 130,879	\$ -	\$ 748,948
Salaries, payroll taxes and benefits	545,021	12,014	557,035	51,377	9,681	618,093	680,841	14,393	695,234	82,642	9,643	787,519
Lab components and operating expenses	578,196	22,668	600,864	995	-	601,859	842,034	4,476	846,510	226	-	846,736
Staffing	500	368,192	368,692	-	-	368,692	-	360,430	360,430	-	-	360,430
Sponsorships	349,821	-	349,821	-	-	349,821	1,152,950	-	1,152,950	-	-	1,152,950
Insurance	5,710	-	5,710	33,344	-	39,054	5,950	-	5,950	30,243	-	36,193
Office expense	4,009	7,139	11,148	24,718	117	35,983	6,098	7,392	13,490	23,054	317	36,861
Occupancy	-	-	-	19,876	-	19,876	-	-	-	48,835	-	48,835
Travel	12,008	-	12,008	5,339	-	17,347	26,474	3,642	30,116	9,944	-	40,060
Interest	76	-	76	15,314	-	15,390	-	-	-	17,935	-	17,935
Bank fees	220	2,717	2,937	8,461	21	11,419	1,496	2,460	3,956	1,968	21	5,945
Postage and delivery	8,800	-	8,800	1,706	-	10,506	354	-	354	4,595	-	4,949
Grants and awards	5,850	-	5,850	-	-	5,850	21,406	-	21,406	-	-	21,406
Bad debt expense	-	3,475	3,475	-	-	3,475	-	1,067	1,067	-	-	1,067
Miscellaneous	966	-	966	1,657	-	2,623	-	-	-	2,369	-	2,369
Conferences	1,241	-	1,241	791	-	2,032	1,177	-	1,177	411	-	1,588
Depreciation	-	-	-	739	-	739	-	-	-	1,432	-	1,432
Equipment grants	-	-	-	-	-	-	265,800	-	265,800	-	-	265,800
	<u>\$ 2,150,463</u>	<u>\$ 628,646</u>	<u>\$ 2,779,109</u>	<u>\$ 401,695</u>	<u>\$ 9,819</u>	<u>\$ 3,190,623</u>	<u>\$ 3,444,002</u>	<u>\$ 572,507</u>	<u>\$ 4,016,509</u>	<u>\$ 354,533</u>	<u>\$ 9,981</u>	<u>\$ 4,381,023</u>

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

THE FAB FOUNDATION

Notes to Financial Statements

1. Organization

Nature of Activities

The Fab Foundation (the “Organization”) was organized in February 2009 under the laws of the State of California for the purpose of providing access to the tools, the knowledge and the financial means to educate, innovate and invent using technology and digital fabrication to allow anyone to make (almost) anything, and thereby creating opportunities to improve lives and livelihoods around the world. The Organization’s headquarters are in Massachusetts. Community organizations, educational institutions and non-profit concerns are the Organization’s primary beneficiaries. The Organization’s primary sources of revenue and support are from contracts for the procurement of fab labs, grants and contributions, and tuition for Fab Academy. A fab lab is comprised of off-the-shelf, industrial-grade fabrication and electronics tools, wrapped in open source software and programs.

In 2021 and 2020, the Organization participated in fundraising efforts related to the COVID-19 pandemic. Grants and contributions were received to assist other organizations involved in providing personal protective equipment (“PPE”) to healthcare workers and communities in need. The fundraising was conducted through fiscal sponsorships and other agreements, and the funds raised were transferred to entities with whom the Organization had these agreements to be used for their PPE projects aimed at the production and distribution of PPE and related efforts to fight the effects of the pandemic.

Program Descriptions

Organizational Services

The Organization promotes digital fabrication by facilitating the development of community-based and educational fab labs, the dissemination of best practices in digital fabrication throughout the fab lab network, facilitation and dissemination of research and community-beneficial projects, the funding and facilitation of fab lab and digital fabrication projects that benefit people and communities in exemplary ways, such as mobile fab labs for emergency aid, or fab labs for developing world contexts. These services include deploying, installing, training, and consulting for new fab labs as well as programmatic support of established fab labs. The Organization works to gather and provide critical evaluation data as well as provide tools for tracking the impact of fab labs in educational, business and social contexts. As part of its services the Organization provides a network function for the fab lab community, bringing together fab labs around the world either physically (for annual meetings and workshops) or virtually through online tools and resources. Additionally, as a resource to educational organizations, entrepreneurial organizations, and the general public the Organization has developed an online global map of Fab Labs, MakerSpaces, and Innovation spaces such that people or organizations that need access to these facilities can find them easily.

THE FAB FOUNDATION

Notes to Financial Statements

1. Organization (continued)

Program Descriptions (continued)

Education

The Organization brings digital fabrication tools and processes to people of all ages, teaching the skills and knowledge of digital fabrication, developing curriculum for formal and informal educational settings, as well as designing and offering professional development training programs for teachers, fab lab managers and other professionals. The Organization offers advanced technical education through the Fab Academy which provides instruction and supervises investigation of mechanisms, applications, and implications of digital fabrication and other technologies. The Fab Academy is a worldwide, distributed campus utilizing fab labs as classrooms and libraries for a new kind of technical literacy. The Organization also provides professional development and resources for K12 teachers and educators through its SCOPES-DF website and research platform (scopesdf.org). This site shares resources and disseminates best educational practices for educators using digital fabrication to teach STEM disciplines and skills.

2. Summary of Significant Accounting Policies

Basis of Presentation

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization determines the classification of its net assets and its revenue and support, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. 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 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.

The Organization did not have any net assets with donor restrictions that are perpetual in nature as of December 31, 2021 and 2020, or for the years then ended.

Revenue and Support

Grants and contributions are recorded as support without or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and contributions that are classified as with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the restriction or expiration of the time restriction. Grants and contributions are recognized in the period in which the donor’s commitment is made, if unconditional. Conditional grants and contributions are recognized when performance and/or control barriers are met by the Organization.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Revenue and Support (continued)

Contract revenue is generally related to the procurement and delivery of fab labs. Additional performance obligations, such as installation, training and curriculum development may also be included in these contracts. The Organization's performance obligations related to these contracts is to procure and deliver fab labs, and to provide any additional services as noted above which are included in the contracts. Contract revenue is recognized over time as performance obligations are met. The transaction price for each performance obligation is the amount of consideration to which the Organization expects to be entitled in exchange for transferring the promised deliverables to the customer as outlined in the contract. Any amounts received in excess of the revenue recognized are reported as deferred revenue.

Tuition received for Fab Academy is due prior to the start of each course. The Organization's performance obligation related to tuition revenue is to provide instruction to students. The initial deposit fee is non-refundable, while the balance of the tuition fees may be refunded if the student notifies the Organization of their withdrawal prior to commencement of the class. Tuition revenue is recognized when the instruction commences. The transaction price is the amount of tuition charged for each course, which is a set flat rate, with scholarships awarded to certain students based on eligibility. Tuition revenue is recognized net of scholarships. Any amounts received in advance of instruction are reported as deferred revenue.

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 contributions 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 as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization may receive in-kind support in the form of contributed services. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are recognized at fair value when received.

The Organization receives contributions of time by volunteers, including Board members which do not meet the criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Cash

Cash consists of deposits held in checking and money market accounts at a federally insured bank.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies

Equipment

Equipment is recorded at cost or fair value at the date of donation, net of accumulated depreciation. Expenditures for maintenance, repairs, and renewals are charged to expense when incurred, whereas additions in excess of \$2,000 are capitalized. Depreciation is computed over the estimated useful lives (3 - 5 years) of the equipment using the straight-line method.

Functional Allocation of Expenses

The Organization records or allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are recorded directly according to their natural expenditure classification. The financial statements report certain categories of expenses that are attributed to both program and support services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

Use of Estimates and Subsequent Events

The presentation of 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 and disclosure of contingencies at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Organization's management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed on November 9, 2022, the date these financial statements became available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of evaluation that met the criteria required for disclosure or accrual.

Income Taxes

The Organization is a publicly supported organization whose activities are described in Internal Revenue Code Section 501(c)(3) and, therefore, is exempt from income taxes. The Organization is also exempt from Massachusetts and California income tax.

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Notes to Financial Statements

3. Availability and Liquidity

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date at December 31, 2021 and 2020, are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,304,015	\$ 2,844,776
Accounts receivable	247,153	72,197
Grants receivable	1,038,000	656,578
Total financial assets	<u>3,589,168</u>	<u>3,573,551</u>
Less: portion of net assets with donor restrictions not available to meet general expenditures within the next year	<u>(1,997,641)</u>	<u>(1,044,378)</u>
Financial assets available to meet general expenditures within the next year	<u>\$ 1,591,527</u>	<u>\$ 2,529,173</u>

Certain restricted grants received by the Organization include funds available for general operations which are allowed as a percentage of the direct expenditures made under the grants. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization has estimated the portion of these grants which will be allocated for general expenditure over the next year. As part of the Organization's liquidity plan, excess cash is invested in money market accounts. Additionally, the Organization maintains a \$200,000 line of credit, as disclosed in Note 9. As of December 31, 2021 and 2020, \$65,000 remained available on the line of credit.

4. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and a corresponding reserve based on its assessment of the current status of individual accounts. Balances that were still outstanding after management had used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. During the years ended December 31, 2021 and 2020, receivable balances of \$3,475 and \$1,067, respectively, were written off. No allowance for uncollectible accounts was deemed necessary at December 31, 2021 or 2020.

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Notes to Financial Statements

5. Grants Receivable

Grants receivable consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 538,000	\$ 656,578
Receivable in two years	500,000	-
	<u>\$ 1,038,000</u>	<u>\$ 656,578</u>

Grants receivable expected to be collected within one year are reported at their net realizable value. Grants receivable that are expected to be collected in greater than one year are reported at the net present value of estimated future cash flows. No present value on grants receivable due in greater than one year has been recorded at December 31, 2021 as the amount is not material to the financial statements.

6. Equipment

Equipment consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Video conferencing equipment	\$ 799,455	\$ 799,455
Computer equipment	6,686	6,686
	<u>806,141</u>	<u>806,141</u>
Less - accumulated depreciation	805,403	804,664
	<u>\$ 738</u>	<u>\$ 1,477</u>

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Notes to Financial Statements

7. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fab City global initiative	\$ 1,598,946	\$ 500,130
Fab4All program	898,481	1,165,554
Procurement of fab labs	340,443	540,452
Brilliant Careers project	93,980	321,108
Inclusive innovation and capacity building	66,250	-
COVID-19 response	72	122,000
SCOPEs project	-	61,581
UN Solutions Summit	-	46,250
	<u>\$ 2,998,172</u>	<u>\$ 2,757,075</u>

Net assets released from restrictions for the years ended December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Fab City global initiative	\$ 401,184	\$ 152,005
COVID-19 response	280,047	1,204,223
Fab4All program	267,073	34,446
Brilliant Careers project	227,128	342,514
Procurement of fab labs	200,009	567,810
Inclusive innovation and capacity building	83,750	-
SCOPEs project	61,581	288,694
Fab House	60,050	-
UN Solutions Summit	46,250	3,750
Annual FAB conference	39,977	68,681
Teacher professional development	25,000	-
Academy scholarships and instruction	24,000	17,048
Research viable sources of natural ingredients in the Great Lakes Region	10,000	-
STEM awards	-	10,000
STEM and DigiFab dissemination	-	25,000
Time restrictions	-	125,000
USA workshop and travel costs	-	40,000
	<u>\$ 1,726,049</u>	<u>\$ 2,879,171</u>

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Notes to Financial Statements

8. Paycheck Protection Program Loan

On April 9, 2020, the Organization entered into a Paycheck Protection Program loan agreement for \$192,800 granted by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief and Economic Security Act. Under the loan agreement, all or a portion of the loan and accrued interest at the rate of 1% was forgivable based on the amount of qualifying expenses incurred and levels of employee headcount and salaries maintained during a measurement period. The full amount of the loan plus interest was forgiven by the SBA on May 20, 2021. The principal amount of the loan is reported as gain on forgiveness of Paycheck Protection Program loan on the statement of activities and changes in net assets for the year ending December 31, 2021. The gain reported does not include the interest which accrued on the loan as the interest was not recorded during the year ended December 31, 2021 or 2020, as management deemed the amount to be immaterial to the financial statements.

9. Line of Credit

The Organization has a line of credit agreement with a bank. The line of credit renews automatically each year as long as the Organization is not in default with certain provisions contained in the agreement. Borrowings under the line of credit are due on demand, and are collateralized by equipment owned by the Organization. Under the line of credit agreement, the maximum borrowing limit is \$200,000. Borrowings on the line of credit bear interest at 2% over the prime rate (5.25% at both December 31, 2021 and 2020). Borrowings outstanding on the line of credit at both December 31, 2021 and 2020 were \$135,000.

10. Lease

The Organization leases office space under a tenant-at-will arrangement. Total rent expense under this lease amounted to \$15,311 and \$45,133 for the years ended December 31, 2021 and 2020, respectively, and is included in occupancy on the statements of functional expenses.

11. Concentrations

Approximately 42% and 53% of the total revenue, support and gains recognized during the years ended December 31, 2021 and 2020, was received from one source and three sources, respectively. Approximately 37% and 51% of accounts receivable at December 31, 2021 and 2020, respectively, was due from three sources. Approximately 96% and 91% of the Organization’s grants receivable at December 31, 2021 and 2020, respectively, was due from one source.

The Organization has a concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. The maximum deposit insurance amount is \$250,000, which is applied per depositor, per insured depository institution for each account ownership category.

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Notes to Financial Statements

12. Equipment Grants

During the year ended December 31, 2020, the Organization donated certain equipment to other nonprofit organizations for educational purposes. Equipment grants of \$265,800 are reported on the statement of functional expenses for the year ended December 31, 2020.

13. Uncertainty Regarding the Impact of COVID-19

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management is actively monitoring the global situation and its effects on the Organization's industry, financial condition, liquidity, and operations. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity, and the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.