Proof Alliance

Financial Statements

December 31, 2021 and 2020

Independent Auditors' Report

To the Board of Directors of
Proof Alliance

Opinion

We have audited the financial statements of Proof Alliance (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities, 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 Organization 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 (GAAP).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 GAAP 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 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 Organization'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 Organization'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.

Baker Tilly US, LLP

Minneapolis, Minnesota
June 8, 2022

Proof Alliance

Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Assets		
Cash and cash equivalents	$ 697,336	$ 719,198
Grants and contributions receivable	449,533	429,702
Prepaid expenses	19,094	15,846
Security deposit	9,854	9,854
Equipment and leasehold improvements, net	175,051	181,148
Total assets	$ 1,350,868	$ 1,355,748
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 189,147	$ 237,528
Accrued payroll	43,936	47,450
Accrued liabilities	11,584	13,246
Deferred lease liability	39,031	35,917
Total liabilities	283,698	334,141
Net Assets		
Without donor restrictions	909,503	900,125
With donor restrictions	157,667	121,482
Total net assets	1,067,170	1,021,607
Total liabilities and net assets	$ 1,350,868	$ 1,355,748

See notes to financial statements

Proof Alliance

Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support						
Government grants	$ 2,491,243	$ -	$ 2,491,243	$ 2,159,032	$ -	$ 2,159,032
Contributions and grants	533,241	81,231	614,472	317,031	92,126	409,157
In-kind contributions	9,086	-	9,086	39,531	-	39,531
Return of grant funds	-	-	-	-	(2,944)	(2,944)
Net assets released from restrictions	45,046	(45,046)	-	82,663	(82,663)	-
Total public support	3,078,616	36,185	3,114,801	2,598,257	6,519	2,604,776
Revenue						
Program fees	33,398	-	33,398	40,626	-	40,626
Clinical billing	39,542	-	39,542	28,021	-	28,021
Interest income	849	-	849	1,012	-	1,012
PPP loan forgiveness	-	-	-	180,900	-	180,900
Other	-	-	-	224	-	224
Total revenue	73,789	-	73,789	250,783	-	250,783
Total public support and revenue	3,152,405	36,185	3,188,590	2,849,040	6,519	2,855,559
Expenses						
Program	2,769,900	-	2,769,900	2,463,013	-	2,463,013
Management and general	213,120	-	213,120	188,350	-	188,350
Development	160,007	-	160,007	170,361	-	170,361
Total expenses	3,143,027	-	3,143,027	2,821,724	-	2,821,724
Change in net assets	9,378	36,185	45,563	27,316	6,519	33,835
Net Assets, Beginning	900,125	121,482	1,021,607	872,809	114,963	987,772
Net Assets, Ending	$ 909,503	$ 157,667	$ 1,067,170	$ 900,125	$ 121,482	$ 1,021,607

See notes to financial statements

Proof Alliance

Statements of Functional Expenses
Years Ended December 31, 2021 and 2020

	2021				2020			
	Program	Management and General	Development	Total	Program	Management and General	Development	Total
Salaries and wages	$ 788,388	$ 76,364	$ 96,426	$ 961,178	$ 695,671	$ 55,263	$ 106,381	$ 857,315
Taxes	65,399	6,265	8,021	79,685	57,586	4,625	8,848	71,059
Employee benefits	104,177	11,397	15,046	130,620	101,975	8,383	15,508	125,866
Total salaries and related expenses	957,964	94,026	119,493	1,171,483	855,232	68,271	130,737	1,054,240
Contracted services	1,184,259	8,685	1,224	1,194,168	1,009,006	9,145	1,558	1,019,709
Professional fees	47,634	77,134	8,557	133,325	35,659	87,562	7,130	130,351
Training and conference	2,712	631	9,706	13,049	2,167	948	3,833	6,948
Insurance	19,882	2,565	465	22,912	18,460	3,281	416	22,157
Fees, dues and other	2,103	2,701	69	4,873	2,065	2,646	76	4,787
Printing	4,200	1,600	2,278	8,078	4,832	718	7,923	13,473
Postage	5,742	447	940	7,129	1,582	524	1,209	3,315
Rental and utilities	96,661	8,344	9,735	114,740	103,243	6,023	11,552	120,818
Supplies	68,251	2,305	1,195	71,751	88,818	3,085	421	92,324
Travel expenses	9,374	43	607	10,024	4,526	409	187	5,122
Telephone	11,396	886	1,101	13,383	11,177	591	999	12,767
Equipment rental and maintenance	11,356	1,644	485	13,485	11,870	576	576	13,022
In-kind expenses	-	9,086	-	9,086	39,531	-	-	39,531
Advertising and promotion	318,271	-	-	318,271	250,085	485	40	250,610
Interest expense and bank charges	486	2,169	2,222	4,877	31	2,453	2,089	4,573
Depreciation	28,296	504	1,897	30,697	24,084	429	1,615	26,128
Miscellaneous expense	1,313	350	33	1,696	645	1,204	-	1,849
Total expenses	$ 2,769,900	$ 213,120	160,007	$ 3,143,027	$ 2,463,013	$ 188,350	$ 170,361	$ 2,821,724
	-				-	-	-	-

See notes to financial statements

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 45,563	$ 33,835
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	30,697	26,128
Interest income reinvested in certificate of deposit	-	(15)
Changes in assets and liabilities:		
Grants and contributions receivable	(19,831)	352,895
Prepaid expenses and security deposit	(3,248)	12,022
Accounts payable	(48,381)	(57,603)
Accrued payroll	(3,514)	29,612
Accrued liabilities	(1,662)	3,132
Deferred lease liability	3,114	4,804
Net cash flows from operating activities	2,738	404,810
Cash Flows From Investing Activities		
Proceeds on maturity of certificate of deposit	-	5,535
Purchase of equipment	(24,600)	(27,349)
Net cash flows from investing activities	(24,600)	(21,814)
Net change in cash and cash equivalents	(21,862)	382,996
Cash and Cash Equivalents, Beginning	719,198	336,202
Cash and Cash Equivalents, Ending	$ 697,336	$ 719,198

See notes to financial statements

1. Nature of Activities

In 2021, Proof Alliance (the Organization) continued to advance our mission and vision that we have the proof that FASD is preventable and that all impacted by fetal alcohol spectrum disorders (FASD) can live up to their full potential. Like previous years, the Organization made progress in all of the program areas including diagnosis, family support, community grants, public awareness and professional education and training. The Organization has a dual role in the state by both preventing prenatal exposure to alcohol, as well as providing support and guidance to individuals with an FASD and their families. As a result of this dual role, the Organization intersects with a wide variety of partners, agencies and community groups who can impact the mission of the Organization.

Due to the ongoing global pandemic, our staff continued working mostly remotely like they had for most of 2020. We continued training, support groups and social engagements in the virtual world and did conduct some in-person events or meetings as safety allowed. Most importantly we continued our FASD awareness movement throughout the state of Minnesota.

Reaching professionals in Minnesota who are providing services and supports to people living with an FASD as well as women who are pregnant or may be pregnant is a priority of the Organization. One of the highlights of 2021 was the 10th Annual Conference, ProofCon 2021: Empowered by the Proof and this was a completely virtual conference. Additionally, trainings were held virtually for educators, social service providers, probation officers, medical doctors, nurses and other allied health professionals. Providing high quality training is an important component of the work accomplished in 2021.

The Organization has taken the lead in creating more capacity for individuals to be evaluated and potentially diagnosed for a FASD. Due to the pandemic and, safety measures remained in place in 2021 and telemedicine appointments continued. The option of telemedicine appointments was welcomed by many patients who have barriers involving travel, especially those who live outside of the Twin Cities area. Additionally, the Organization worked closely with a network of diagnostic providers across the state through the FASD Diagnostic Consortium. The Organization also convened the Prenatal Screening Task Force to address screening for prenatal alcohol exposure among pregnant patients in Minnesota.

The goals of the community grants program are vast and a direct response to our engagement with stakeholders from all across Minnesota. The grants fund culturally specific programming in American Indian and African American communities and legal advocacy for students with an FASD. Additionally, the prevention/public awareness grants reached across the state to large and small communities with the prevention message. One of the prevention grant efforts specifically reaches out to women with alcohol and substance use disorders to provide community resources, tool and supports for the women to become and remain sober while having alcohol-free pregnancies. Another grant program, CHOICES, is an evidence-based intervention that reduces the risk of alcohol-exposed pregnancies by helping women to reduce or stop drinking, use contraception effectively or both. Many events and grant activities continued to be virtual in 2021, while others had to be cancelled or reimagined due to the limitations of in-person gathering. The community grant program reaches communities all across the state.

Supporting individuals with an FASD and their families and caregivers is a core component of the work that was accomplished at the Organization in 2021. The network of family engagement staff provided support to caregivers across the state. In-person events were moved to virtual if possible or reimaged as activities that could be done virtually. Other events were held with a reduced in-person gathering amount so as to maintain safety protocols. Caregivers participated in more one-on-one work with the family support staff and this support was offered to birth, foster, adoptive and kinship caregivers.

Finally, the outreach and education to childbearing aged women is a priority at the Organization. A variety of tools are used to reach women who are pregnant and women who could be pregnant. The Organization coordinates community based grants to agencies who are working to share the prevention message. Since large community events were continued to be postponed in 2021, our prevention messaging moved online to target people in their child-bearing ages. Social media campaigns were developed and implemented to spread the prevention messages and multi-media tools were created to make the messages eye-catching. We continued to send out free educational brochures and other unique tools such as window clings and lip balms across the state. Our website was also revamped and relaunched making it much easier for anyone who visits to find the information they need and also included new tools like a screening checklist. Looking at the bigger picture of how we can impact healthy pregnancy outcomes virtually and during a pandemic have been front and center in the prevention work conducted this year. In order to prevent prenatal exposure to alcohol it has been determined that we must broaden our message to reach childbearing aged women before they become pregnant.

The Organization continued to expand its national reach in 2021. One of the ways this happened is through the SAFEST Choice Learning Collaborative, a Health Services and Resources Administration (HRSA)-funded project in partnership with Boston Medical Center to help prenatal and pediatric practices screen for prenatal alcohol exposure and FASD. Clinical practices attended monthly virtual Extension for Community Healthcare Outcomes (ECHO) sessions that encompassed a didactic by faculty, case-based learning and collaborative problem-solving. The Organization also provided a program in North Carolina that equipped a group of professionals to be certified trainers on FASD for diverse populations. Through other collaborations with organizations in Alaska, Florida, Maine and Michigan, as well as national partners including the American Academy of Pediatrics (AAP), American College of Obstetricians and Gynecologists (ACOG), Centers for Disease Control and Prevention (CDC) and United States Department of Health and Human Services Children’s Bureau (US DHHS' Children's Bureau), the Organization continued to increase FASD screening, prevention efforts and professional education on a national level. Additionally, in order to reduce rates of FASD in Indigenous communities and support families impacted, the Organization created Our Children Are Sacred. Our Children Are Sacred is programming designed by and for Native Americans in order to share traditional teachings, public health information and resources to support individuals, families and communities.

Systemic change in preventing and treating FASD in Minnesota and beyond can only be achieved with sustained, consistent and comprehensive programs that impact every part of the state and all citizens. As we continue to carefully navigate this new world and work to find new ways to achieve our outcomes, we are more certain than ever that our work to support all pregnancies to be alcohol-free and all people living with an FASD and their caregivers is vital to all communities across the state.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. Cash on deposit in excess of the federally insured limits and similar insurance coverages are subject to the usual banking risks of funds in excess of those limits.

Grants and Contributions Receivable

Receivables are stated at net realizable value. The Organization believes that all amounts receivable are fully collectible and all are due within one year; therefore an allowance for doubtful accounts or discount on the receivable with terms extending beyond one year is not recorded. Receivables are generally unsecured.

Equipment and Leasehold Improvements, Net

Equipment and leasehold improvements purchased with nongrantor funds are capitalized at cost. Donated equipment is capitalized at market value on the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Organization capitalizes additions in excess of $5,000. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the Organization's accounts. If the retirements or disposals result in gains or losses, these are recorded as income in the statements of activities.

For equipment purchased with government funds, the grantor retains title to all equipment acquired under its contracts with the Organization. Therefore, equipment purchases are recorded as expense when acquired. There were $23,100 and $16,425 of purchases with government funds that were capitalized for the Organization’s website for the years ended December 31, 2021 and 2020, respectively.

Net Assets

For purposes of financial reporting, the Organization classifies resources into two net asset categories pursuant to any donor imposed restrictions and applicable law. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

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 that will be met by action of the Organization and/or the passage of time.

The Organization's Board of Directors has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. At December 31, 2021 and 2020, the Organization had no board-designated net assets.

Revenue Recognition

Revenues from sources other than contributions are generally reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. The Organization recognizes revenues from program fees and clinical billings during the year in which related services are provided. Clinical billings revenue is reported net of contractual adjustments and amounts due from third-party payers for services rendered. The Organization records special events revenue equal to the fair value of direct benefits to donors and contribution income for the excess received when the event takes place. Special events revenue is presented, net of direct event expenses. No special events in either 2020 or 2021

Unconditional contributions, including irrevocable promises to give, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Contributions that include a measurable barrier or those for which the Organization has limited discretion over how the contribution should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is, when the barriers have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Any amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of approximately $5,456,000 that has not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred.

Contributions of materials and services are recognized if the materials and services received (a) create or enhance nonfinancial 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. Professional materials and services of $9,086 and $39,531 were donated in the years ended December 31, 2021 and December 31, 2020, respectively.

A substantial number of volunteers have made significant contributions of their time for the daily operation of the Organization. The value of these services is not recorded in the financial statements because they do not meet the accounting requirements to be recorded.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, unrelated business income may be subject to taxation.

Accounting principles generally accepted in the United States of America requires the Organization to evaluate positions taken and recognize a tax liability (or asset) if they have taken an uncertain position that more likely than not would not be sustained upon examination by applicable tax authorities. Management has analyzed tax positions taken by the Organization and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Advertising

Advertising costs are charged to operations when incurred.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocations of expenses for salaries and related expenses, rental expenses and facilities expenses are based on management's best estimates of time and effort.

Estimates

The preparation 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncement Not Yet Effective

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. ASU No. 2016-02 is effective for years beginning after December 15, 2021 (calendar year 2022). Upon adoption, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. The Organization is assessing the impact this new standard will have on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021 (calendar year 2022). The Organization is assessing the impact this standard will have on its financial statements.

3. Liquidity and Availability

The following table reflects the Organization's financial assets as of December 31 2021 and 2020, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or donor restricted assets whose restrictions are not met in one year.

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 697,336	$ 719,198
Grants and contributions receivable	449,533	429,702
Financial assets available to meet cash needs for general purposes within one year	$ 1,146,869	$ 1,148,900

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due and targets a minimum of 90 days of operating expense coverage at any point in time.

Cash in excess of daily requirements is typically invested in short-term, liquid securities. The Organization has a $75,000 line of credit that can be drawn down if needed to cover operating expenses. See Note 9.

4. Equipment and Leasehold Improvements, Net

Equipment and leasehold improvements at December 31, 2021 and 2020 are summarized as follows:

	Depreciable Lives	2021	2020
Leasehold improvements	10 years	$ 95,918	$ 95,918
Furniture and equipment/website	3 - 7 Years	139,144	154,828
Total equipment and leasehold improvements		235,062	250,746
Less accumulated depreciation		(60,011)	(69,598)
Equipment and leasehold improvements, net		$ 175,051	$ 181,148

5. Net Assets

Net assets with donor restrictions at December 31 are composed of:

	2021	2020
Timing and purpose restrictions	$ 157,667	$ 121,482

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were reclassified to net assets without donor restrictions for operations and programs.

6. Concentrations

Government grant revenue for 2021 and 2020 resulted principally from one contract with the Minnesota Department of Health (MDH). The current grant agreement will expire in June 2024. Receivables from MDH at December 31, 2021 and 2020 include approximately $268,000 and $258,000, respectively, for services performed in November and December of 2021 and November and December of 2020, respectively.

7. Operating Leases

The Organization leases office space, storage space, a copier and a postage machine. The leases are accounted for as operating leases. In January, 2019, the Organization signed an office space lease at a new location. The lease requires monthly payments ranging from $5,549 to $7,103 per month and expires in October 2029. The various equipment leases expire at various dates through September 2026.

Future minimum operating lease payments as of December 31, 2021 are as follows:

Years ending December 31:	
2022	$ 78,142
2023	79,916
2024	80,985
2025	82,099
2026	78,949
Thereafter	232,778
	$ 632,869

Office space and equipment rent expense on the operating leases was $117,657 and $124,625 for the years ended December 31, 2021 and 2020, respectively.

8. Retirement Plan

For employees meeting certain eligibility requirements, the Organization contributes 3% of the employee's gross wages or the amount of their personal contribution, whichever is less, to their Simple IRA. The Organization's match amounts were $25,941 and $20,649 in 2021 and 2020, respectively.

9. Line of Credit

The Organization has a $75,000 revolving line of credit with Bremer Bank that expired at December 31, 2021. On April 20, 2022, the line of credit was extended to expire on December 28, 2023. The line of credit is secured by all assets of the Organization. Borrowings bear interest at the bank's prime lending rate plus 1.00% over the index (rate on issue date was 4.5%). However, under no circumstances will the total rate fall below 5.00%. There were no outstanding borrowings at December 31, 2021 and 2020.

10. Paycheck Protection Program (PPP) Loan

On April 17, 2020, the Organization entered into an unsecured loan facility with Bremer Bank, National Association under the recent government-enacted Paycheck Protection Program (PPP) (part of the Coronavirus Aid, Relief and Economic Stability Act) administered by the Small Business Administration (SBA). The Organization borrowed $180,900 under the loan facility. The loan carried a fixed interest rate of 1% and was scheduled to mature on April 17, 2022. Loans under the PPP have a loan forgiveness feature based on the level of payroll, rent and utilities costs over a 24-week period commencing on the date of the loan. On December 9, 2020, the loan and interest were forgiven. As such, the PPP loan proceeds of $180,900 were recorded as loan forgiveness revenue in the accompanying statement of activities for the year ended December 31, 2020.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

11. Commitments and Contingencies

From time to time, the Organization is subject to various legal matters in the normal course of business. The outcome of these matters is not expected to have a material effect on the Organization's financial position.

The Organization received contributions from board members totaling $98,277 and $68,020 for the years ended December 31, 2021 and 2020, respectively.

12. Subsequent Events

The Organization has evaluated subsequent events through June 8, 2022 which is the date that the financial statements were approved and available to be issued.