

ALL STAR CODE, INC.
Financial Statements
December 31, 2022 and 2021
With Independent Auditor's Report

All Star Code, Inc.
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December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
All Star Code, Inc.:

Opinion

We have audited the financial statements of All Star Code, Inc. (a not-for-profit corporation) (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of All Star Code, Inc. as of December 31, 2022 and 2021, 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 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 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 Organization'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 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.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

August 16, 2023

All Star Code, Inc.
Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 2,027,711	\$ 2,746,850
Contributions receivable, net	1,097,284	484,854
Prepaid expenses	30,276	6,016
Property and equipment, net	193,334	331,081
Security deposits and other assets	<u>31</u>	<u>12</u>
 Total assets	 <u>\$ 3,348,636</u>	 <u>\$ 3,568,813</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 83,611	\$ 161,099
Paycheck Protection Program loan payable	<u>316,157</u>	<u>316,157</u>
Total liabilities	<u>399,768</u>	<u>477,256</u>
 Net assets		
Without donor restrictions		
Undesignated	749,261	1,535,434
Board designated	<u>823,754</u>	<u>610,602</u>
Total net assets without donor restrictions	1,573,015	2,146,036
With donor restrictions	<u>1,375,853</u>	<u>945,521</u>
Total net assets	<u>2,948,868</u>	<u>3,091,557</u>
 Total liabilities and net assets	 <u>\$ 3,348,636</u>	 <u>\$ 3,568,813</u>

The Notes to Financial Statements are an integral part of these statements.

All Star Code, Inc.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Contributions	\$ 1,199,133	\$ 1,470,498	\$ 2,669,631	\$ 1,322,669	\$ 1,000,863	\$ 2,323,532
Contributions of nonfinancial assets	202,986	-	202,986	951,978	-	951,978
Special events						
Event income	364,013	-	364,013	317,001	-	317,001
Less: Related direct costs	(217,494)	-	(217,494)	(50,762)	-	(50,762)
Net special event revenue	146,519	-	146,519	266,239	-	266,239
Forgiveness of Paycheck Protection Program loan	-	-	-	316,156	-	316,156
Investment and other income	17,321	-	17,321	21,902	-	21,902
Net assets released from restrictions						
Satisfaction of purpose restrictions	520,833	(520,833)	-	442,750	(442,750)	-
Satisfaction of time restrictions	514,333	(514,333)	-	352,667	(352,667)	-
Total net assets released from restrictions	1,035,166	(1,035,166)	-	795,417	(795,417)	-
Total support and revenues	2,601,125	435,332	3,036,457	3,674,361	205,446	3,879,807
Expenses						
Program expenses						
Summer intensive	1,097,471	-	1,097,471	1,331,109	-	1,331,109
Awareness	637,513	-	637,513	458,154	-	458,154
Research and other activities	699,406	-	699,406	542,987	-	542,987
Total program expenses	2,434,390	-	2,434,390	2,332,250	-	2,332,250
Management and general	208,499	-	208,499	135,388	-	135,388
Fundraising	531,257	5,000	536,257	434,761	12,000	446,761
Total expenses	3,174,146	5,000	3,179,146	2,902,399	12,000	2,914,399
Changes in net assets	(573,021)	430,332	(142,689)	771,962	193,446	965,408
Net assets						
Beginning of year	2,146,036	945,521	3,091,557	1,374,074	752,075	2,126,149
End of year	\$ 1,573,015	\$ 1,375,853	\$ 2,948,868	\$ 2,146,036	\$ 945,521	\$ 3,091,557

The Notes to Financial Statements are an integral part of these statements.

All Star Code, Inc.
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Expenses				Supporting Services		Cost of Direct	
	Summer Intensive	Awareness	Research and Other Activities	Total Program	Management and General	Fundraising	Benefits to Donors	Total Expenses
Personnel costs								
Salaries	\$ 603,526	\$ 383,539	\$ 395,771	\$ 1,382,836	\$ 57,245	\$ 270,880	\$ -	\$ 1,710,961
Payroll taxes and benefits	60,047	71,250	68,891	200,188	7,935	52,143	-	260,266
Consultants	16,519	19,644	113,133	149,296	6,051	78,045	-	233,392
Total personnel costs	680,092	474,433	577,795	1,732,320	71,231	401,068	-	2,204,619
Direct expenses								
Travel and meetings	4,719	16,521	8,965	30,205	29,415	26,870	217,494	303,984
Equipment purchases	295,837	1,453	1,600	298,890	3,644	1,254	-	303,788
Professional fees	38,303	45,704	43,743	127,750	50,444	32,876	-	211,070
Depreciation	31,651	37,766	36,146	105,563	5,019	27,165	-	137,747
Dues and subscriptions	39,185	22,858	21,017	83,060	33,473	19,701	-	136,234
Printing	81	21,546	93	21,720	263	704	-	22,687
Bank fees and office expense	153	212	2,756	3,121	3,337	13,634	-	20,092
Supplies	313	9,775	357	10,445	980	7,286	-	18,711
Communications	3,198	3,816	3,653	10,667	507	2,745	-	13,919
Insurance	2,822	3,368	3,223	9,413	448	2,422	-	12,283
Postage and delivery	1,117	61	58	1,236	275	532	-	2,043
Uncollectible contributions (recovery)	-	-	-	-	9,463	-	-	9,463
Total direct expenses	417,379	163,080	121,611	702,070	137,268	135,189	217,494	1,192,021
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	-	-	-	-	-	-	(217,494)	(217,494)
	<u>\$ 1,097,471</u>	<u>\$ 637,513</u>	<u>\$ 699,406</u>	<u>\$ 2,434,390</u>	<u>\$ 208,499</u>	<u>\$ 536,257</u>	<u>\$ -</u>	<u>\$ 3,179,146</u>

The Notes to Financial Statements are an integral part of this statement.

All Star Code, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Expenses				Supporting Services		Cost of Direct	
	Summer Intensive	Awareness	Research and Other Activities	Total Program	Management and General	Fundraising	Benefits to Donors	Total Expenses
Personnel costs								
Salaries	\$ 613,988	\$ 172,267	\$ 227,043	\$ 1,013,298	\$ 26,378	\$ 129,746	\$ -	\$ 1,169,422
Payroll taxes and benefits	104,728	30,105	40,592	175,425	4,745	23,662	-	203,832
Consultants	46,191	53,661	85,449	185,301	28,784	123,704	-	337,789
Total personnel costs	764,907	256,033	353,084	1,374,024	59,907	277,112	-	1,711,043
Direct expenses								
Professional fees	246,864	120,304	145,467	512,635	48,084	100,595	-	661,314
Equipment purchases	253,898	1,615	3,578	259,091	340	1,241	-	260,672
Depreciation	32,242	15,713	18,999	66,954	3,309	11,899	-	82,162
Dues and subscriptions	21,619	10,396	12,083	44,098	18,556	15,713	-	78,367
Travel and meetings	278	143	669	1,090	6,017	1,280	50,762	59,149
Printing	840	41,545	-	42,385	1,524	8,133	-	52,042
Bank fees and office expense	729	355	1,120	2,204	1,681	10,447	-	14,332
Supplies	921	7,778	2,822	11,521	95	2,606	-	14,222
Insurance	4,546	2,215	2,679	9,440	467	1,678	-	11,585
Communications	4,187	2,041	2,467	8,695	707	1,545	-	10,947
Postage and delivery	78	16	19	113	34	12	-	159
Uncollectible contributions (recovery)	-	-	-	-	(5,333)	14,500	-	9,167
Total direct expenses	566,202	202,121	189,903	958,226	75,481	169,649	50,762	1,254,118
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	-	-	-	-	-	-	(50,762)	(50,762)
	\$ 1,331,109	\$ 458,154	\$ 542,987	\$ 2,332,250	\$ 135,388	\$ 446,761	\$ -	\$ 2,914,399

The Notes to Financial Statements are an integral part of this statement.

All Star Code, Inc.
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
Changes in net assets	\$ (142,689)	\$ 965,408
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	137,747	82,162
Discount on pledges	31,063	1,561
Amortization of discount	(1,561)	(2,425)
Provision for uncollectible contributions	9,463	9,167
Donated property and equipment	-	(386,667)
Forgiveness of Paycheck Protection Program loan	-	(316,156)
Changes in assets and liabilities		
Contributions receivable	(651,395)	94,208
Prepaid expenses	(24,260)	26,578
Security deposits and other assets	(19)	50
Accounts payable and accrued expenses	<u>(77,488)</u>	<u>60,328</u>
Net cash provided by (used in) operating activities	<u>(719,139)</u>	<u>534,214</u>
Financing activity		
Proceeds from Paycheck Protection Program loan payable	<u>-</u>	<u>316,156</u>
Net cash provided by financing activity	<u>-</u>	<u>316,156</u>
Net change in cash and cash equivalents	(719,139)	850,370
Cash and cash equivalents		
Beginning of year	<u>2,746,850</u>	<u>1,896,480</u>
End of year	<u>\$ 2,027,711</u>	<u>\$ 2,746,850</u>

The Notes to Financial Statements are an integral part of these statements.

All Star Code, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

1. ORGANIZATION

All Star Code, Inc. (the "Organization") is a not-for-profit organization incorporated in the State of Delaware on March 18, 2013.

The Organization's mission is to create economic opportunity by developing a new generation of boys and young men of color with an entrepreneurial mindset who have the tools they need to succeed in a technological world. To accomplish its mission, the Organization provides the following programs:

Summer Intensive - an elite 6-week program designed to educate, inspire, and equip high school boys of color with the knowledge, skills, and resources needed to pursue paths leading to academics and/or careers in the technology sector;

Awareness - aimed at recruiting new All Star Code applicants, who are excited about careers in coding, technology, computer science, programming, engineering, and gaming, and giving them a sense of excitement and possibilities that await them in a career in technology and;

Research and Other Activities - encouraging new enrollment and continuing engagement by organizing student-centered activities, summer instruction, and other components that include presentations, demonstrations, and talks led by inspiring entrepreneurs, CEOs, developers, designers, and college students majoring in computer science.

The Organization primarily receives its support in the form of contributions from foundations, corporations, and individuals and from fundraising events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates used in the preparation of these financial statements include depreciation, the value of donated services, and the present value adjustment of pledges receivable. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with original maturities of three months or less.

Contributions Receivable

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows; recalculated each year using the 5-year Treasury bill rate on the last day of the fiscal year. The allowance for bad debt is maintained at a level that, in management's judgment, is adequate to absorb uncollectible receivables.

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Investments

The Organization receives donations of equity securities (Level 1 investments), which it immediately sells. Level 1 investments are valued using input based upon quoted prices in active markets for identical investments. The Organization initially records investments it receives as donations at the fair value as of the dates the investments are donated to the Organization and thereafter carries such investments at current fair values.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation of equipment and software is computed by the straight-line method over estimated useful lives ranging from three to seven years. Depreciation of the website redevelopment is computed by the straight-line method over the estimated useful life of three years. Expenditures for repairs and maintenance are expensed as incurred. Major renewals and betterments are capitalized.

Valuation of Long-Lived Assets

In accordance with the provisions of accounting for the impairment or disposal of long-lived assets, the Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. Management has determined that no impairment adjustment was required to be recorded for the years ended December 31, 2022 and 2021.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions -

Undesignated - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Board designated - Net assets include a reserve fund which the Board of Directors of the Organization has determined will be retained and invested until the Board, at its discretion, authorizes its expenditure.

Net assets with donor restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature ("endowment"), where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

The Organization recognizes contributions when cash, a noncash asset, or an unconditional promise to give is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as deferred revenue in the statements of financial position.

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All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any event revenue received in advance of the event is recorded as deferred revenue.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Salaries are allocated on the basis of the amount of time spent on each activity cost center by each employee. Other expenses that are incurred for the benefit of more than one cost center are allocated based on percentage of total salary allocated to each activity cost center.

Tax Status and Uncertain Tax Positions

The Organization is a not-for-profit corporation, exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 402 of the Not-for-Profit Corporation Law in New York State, and has been designated as an organization which is not a private foundation. Accordingly, no provision for federal, state, or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. There are no income tax related penalties or interest included in these financial statements.

Recent Accounting Pronouncements Adopted

Gifts In-Kind

During 2022, the Organization adopted the Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The adoption of the ASU did not have a material impact on the financial statements other than expanded disclosures.

All Star Code, Inc.
Notes to Financial Statements
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Leases

During 2022, the Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases*. The ASU requires that a lessee recognizes a right-of-use asset and a corresponding liability with limited exceptions for its obligation under an operating lease, as well as expands disclosure requirements for both lessors and lessees. The adoption of the ASU did not have a material effect to the financial statements.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2022 and 2021, reduced by amounts not available for general use within one year because of contractual or internal restrictions and designations:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 2,027,711	\$ 2,746,850
Contributions receivable, net	<u>1,097,284</u>	<u>484,854</u>
Total financial assets	3,124,995	3,231,704
Less: Receivables scheduled to be collected in more than one year	<u>(310,937)</u>	<u>(82,438)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,814,058</u></u>	<u><u>\$ 3,149,266</u></u>

4. CONTRIBUTIONS RECEIVABLE

As of December 31, 2022 and 2021, contributions receivable are expected to be received in the following periods:

	<u>2022</u>	<u>2021</u>
In one year or less	\$ 819,395	\$ 435,850
Between one and two years	192,000	42,000
Between two and three years	<u>150,000</u>	<u>42,000</u>
	1,161,395	519,850
Less: Allowance for uncollectible receivables	(33,048)	(33,435)
Less: Unamortized discount	<u>(31,063)</u>	<u>(1,561)</u>
	<u><u>\$ 1,097,284</u></u>	<u><u>\$ 484,854</u></u>

As of December 31, 2022 and 2021, contributions have been discounted at a 3.99% and 1.26% annual rate of interest, respectively.

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5. PROPERTY AND EQUIPMENT

Property and equipment by major class consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Equipment and software	\$ 53,152	\$ 53,152
Website redevelopment	386,667	386,667
Less: Accumulated depreciation	<u>(246,485)</u>	<u>(108,738)</u>
	<u>\$ 193,334</u>	<u>\$ 331,081</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, net assets with donor restrictions are available in the future years as follows:

	<u>2022</u>	
2023 Operations	\$ 814,916	
2023 Summer Intensive	250,000	
2024 - 2025 Operations	<u>310,937</u>	
	<u>\$ 1,375,853</u>	
	<u>2021</u>	
2022 Operations	\$ 404,750	
2022 Summer Intensive	458,333	
2023 - 2024 Operations	<u>82,438</u>	
	<u>\$ 945,521</u>	

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of time restrictions specified by donors as follows:

	<u>2022</u>	<u>2021</u>
Purpose restrictions	\$ 520,833	\$ 442,750
Time restrictions	<u>514,333</u>	<u>352,667</u>
	<u>\$ 1,035,166</u>	<u>\$ 795,417</u>

7. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Significant services and goods were donated to the Organization by various donors and meet the criteria for being recognized as contributions in accordance with GAAP. In valuing goods donated, the Organization compared the values provided by the donors to similar retail products in fair value markets. Contributed services are valued and are reported at their estimated fair market values at the date of donation using averages of rates provided by some donors.

All Star Code, Inc.
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Contributions of nonfinancial assets consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Donated goods	\$ 133,753	\$ 4,750
Donated services		
Legal	49,233	45,737
Website redevelopment	-	861,749
Advertising	<u>20,000</u>	<u>39,742</u>
Total donated services	<u>69,233</u>	<u>947,228</u>
Total donated goods and services	<u>\$ 202,986</u>	<u>\$ 951,978</u>

8. CONCENTRATIONS

Cash

The Organization has cash balances at financial institutions which throughout the year may regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows. The Organization uses JPMorgan Chase for its banking and financial needs. Based on the significance of JPMorgan Chase within the U.S. financial sector, management considers the likelihood of failure of this financial institution to be extremely remote.

Money Market Funds

The Organization has money market funds which are held by a financial institution in a brokerage account. The brokerage account is protected by the Securities Investor Protection Corporation ("SIPC") which offers limited coverage up to a ceiling of \$500,000 (including a maximum of \$250,000 for claims of uninvested cash).

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the revenue derived from contracts with customers during 2022 and 2021 was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the years ended December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Special event revenue - exchange component	<u>\$ 217,494</u>	<u>\$ 50,762</u>

10. RETIREMENT PLAN

In August 2018, the Organization adopted a 401(k) defined contribution plan (the "Plan"). Any employee who is age 21 and over and has completed six months of employment is eligible to participate in the Plan. The Organization makes voluntary matching contributions based on a percentage of the employee contribution. For the years ended December 31, 2022 and 2021, the Organization contributed a total of \$29,310 and \$14,597, respectively, towards the Plan.

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Notes to Financial Statements
December 31, 2022 and 2021

11. PAYCHECK PROTECTION PROGRAM LOAN

On April 9, 2020, the Organization issued an unsecured promissory note (the "PPP Loan") for \$316,156 through the Paycheck Protection Program ("PPP") established under the CARES Act, and administered by the U.S. Small Business Administration ("SBA"). The PPP Loan is guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if the Organization was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within the defined 24 week period after the PPP Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements. The PPP Loan was made through JPMorgan Chase Bank (the "Lender"), has a two-year term, bears interest at 0.98% per annum, and matures on April 9, 2022. The PPP Loan funding of \$316,156 was recognized as debt reflected in the accompanying statements of financial position as of December 31, 2020, as the conditions for forgiveness had not been met. On December 15, 2021, the PPP Loan was fully forgiven based upon qualifying expenses, therefore, the Organization fully recognized the liability as forgiveness of debt in 2021 in the accompanying statements of activities and changes in net assets.

In addition, on February 9, 2021, the Organization issued an unsecured promissory note (the "PPP 2 Loan") for \$316,157 through the Paycheck Protection Program established under the CARES Act, and administered by the U.S. Small Business Administration. The PPP 2 Loan is guaranteed by the SBA. The PPP 2 Loan may be forgiven, in whole or in part, if the Organization was eligible for the PPP 2 Loan at the time of application, used the loan proceeds for eligible expenses within the defined 24 week period after the PPP 2 Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements. The PPP 2 Loan was made through JPMorgan Chase Bank (the "Lender"), has a five-year term, bears interest at 0.98% per annum, and matures on February 9, 2026. If the PPP 2 Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the maximum allowed Covered Period, or May 27, 2022. The PPP 2 Loan may be prepaid at any time prior to maturity with no prepayment penalties. Subsequent to year end, the Organization was informed that its application for forgiveness of \$316,157 of the PPP 2 Loan was approved. Accordingly, the Organization will record it as forgiveness of debt in 2023.

12. RELATED PARTY TRANSACTIONS

The Organization received contributions from members from the board of directors of \$79,700 and \$128,122 for the years ended December 31, 2022 and 2021, respectively. Contributions receivable from members from the board of directors as of December 31, 2022 and 2021 was \$123,289 and \$113,339, respectively.

13. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 16, 2023, which represents the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that other than Note 11, no subsequent events have occurred that require adjustment to or disclosure in the financial statements.