

**YOUTH ENCOURAGEMENT SERVICES, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2020**

# **YOUTH ENCOURAGEMENT SERVICES, INC.**

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**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS &amp; ADVISORS

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Youth Encouragement Services, Inc.  
Nashville, Tennessee

We have audited the accompanying financial statements of Youth Encouragement Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

As more fully described in Note 1 to the financial statements, certain land and buildings are stated at estimated appraisal value as of December 31, 1994 in the accompanying statement of financial position. Also, depreciation expense has not been recorded for all years in which the buildings have been in service. In our opinion, such assets should be stated at acquisition cost, net of depreciation on buildings, to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the preceding practices are not reasonably determinable.

### **Qualified Opinion**

In our opinion, except for the effects of valuing land and buildings at appraisal value, as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Encouragement Services, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Bellenfant, PLLC*

Nashville, Tennessee  
August 16, 2021

**YOUTH ENCOURAGEMENT SERVICES, INC.**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 88,462
Investments	122,219
Accounts Receivable	282,079
	<hr/>
Total Current Assets	492,760

**PROPERTY AND EQUIPMENT**

Land	106,236
Land Improvements	20,471
Buildings	3,451,955
Furniture, Fixtures, and Equipment	83,661
Vehicles	183,561
Less: Accumulated Depreciation	(792,825)
	<hr/>
Property and Equipment, net	3,053,059
	<hr/>
Total Assets	\$ 3,545,819

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 15,195
Line of Credit	85,321
PPP Loan Payable	65,608
Note Payable	709,499
	<hr/>
Total Current Liabilities	875,623
	<hr/>
Total Liabilities	875,623

**NET ASSETS**

Net Assets Without Donor Restrictions	2,560,196
Net Assets With Donor Restrictions	110,000
	<hr/>
Total Net Assets	2,670,196
	<hr/>
Total Liabilities and Net Assets	\$ 3,545,819

The accompanying notes are an integral part of these statements.

**YOUTH ENCOURAGEMENT SERVICES, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUE</b>			
<b>Public Support:</b>			
Special Campaigns	\$ 61,816	\$ -	\$ 61,816
In-Kind Donations	73,950	-	73,950
Contributions	412,034	-	412,034
Grants	409,015	96,300	505,315
Christmas Store	58,288	-	58,288
Registration Fees	2,105	-	2,105
	<hr/>	<hr/>	<hr/>
Total Public Support	1,017,208	96,300	1,113,508
	<hr/>	<hr/>	<hr/>
<b>Other Revenue:</b>			
Interest	406	-	406
Contribution of Property	2,118,000	-	2,118,000
Investment Gain (Loss)	1,945	-	1,945
	<hr/>	<hr/>	<hr/>
Net assets released from restrictions	96,300	(96,300)	-
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 3,233,859	\$ -	\$ 3,233,859
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
Program Services	\$ 746,877	\$ -	\$ 746,877
Management and General	186,329	-	186,329
Fundraising	42,713	-	42,713
	<hr/>	<hr/>	<hr/>
Total Expenses	975,919	-	975,919
	<hr/>	<hr/>	<hr/>
Change in Net Assets	2,257,940	-	2,257,940
	<hr/>	<hr/>	<hr/>
Net Assets, beginning of the year	302,256	110,000	412,256
	<hr/>	<hr/>	<hr/>
Net Assets, end of the year	<u>\$ 2,560,196</u>	<u>\$ 110,000</u>	<u>\$ 2,670,196</u>

The accompanying notes are an integral part of these statements.

**YOUTH ENCOURAGEMENT SERVICES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Inner City Centers</b>	<b>Reading Program</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total</b>
Salaries and Wages	\$ 159,998	\$ 30,000	\$ 189,998	\$ 67,085	\$ 26,032	\$ 93,117	\$ 283,115
Employee Benefits	19,567	-	19,567	6,389	2,556	8,945	28,512
Payroll Taxes	11,117	2,295	13,412	6,733	1,991	8,724	22,136
Housing Allowance	30,000	-	30,000	-	-	-	30,000
Program Materials (including \$73,950 in-kind)	252,703	9,160	261,863	1,611	-	1,611	263,474
Fundraising Activities	-	-	-	6,508	-	6,508	6,508
Vehicles	2,466	14	2,480	211	-	211	2,691
Repairs and Maintenance	14,474	-	14,474	9,290	-	9,290	23,764
Utilities	42,612	-	42,612	6,667	-	6,667	49,279
Insurance	25,226	-	25,226	24,585	-	24,585	49,811
Professional Services	78,112	-	78,112	16,688	11,000	27,688	105,800
Depreciation	63,065	-	63,065	-	-	-	63,065
Office Expenses	967	-	967	8,615	-	8,615	9,582
Office Supplies	1,774	-	1,774	7,205	-	7,205	8,979
Banking Fees	15	-	15	6,284	396	6,680	6,695
Travel, Meals, and Entertainment	-	-	-	20	-	20	20
Miscellaneous	-	-	-	317	-	317	317
Interest	-	-	-	15,773	283	16,056	16,056
Equipment and Comptuers	3,312	-	3,312	2,348	455	2,803	6,115
Total Expenses	<u>\$ 705,408</u>	<u>\$ 41,469</u>	<u>\$ 746,877</u>	<u>\$ 186,329</u>	<u>\$ 42,713</u>	<u>\$ 229,042</u>	<u>\$ 975,919</u>

The accompanying notes are an integral part of these statements.

**YOUTH ENCOURAGEMENT SERVICES, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 2,257,940
Realized/Unrealized (Gain) Loss on Investments	(1,945)
Adjustments to reconcile change in net assets to net cash provided (used) by operations	
Depreciation	63,065
(Increase) Decrease in:	
Accounts Receivable	(272,932)
Prepaid Expenses	2,976
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	(9,417)
Net Cash Provided (Used) by Operating Activities	<u>2,039,687</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Contribution of Property	<u>(2,806,000)</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,806,000)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on Line of Credit	593
PPP Loan Payable	65,608
Note Payable	709,499
Principal Payments on Capital Lease Obligation	<u>(1,548)</u>
Net Cash Provided (Used) by Financing Activities	<u>774,152</u>
Net Increase (Decrease) in Cash	7,839
Cash and Cash Equivalents, beginning of the year	<u>80,623</u>
Cash and Cash Equivalents, end of the year	<u>\$ 88,462</u>

The accompanying notes are an integral part of these statements.



# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Purpose**

Youth Encouragement Services (the "Organization") was incorporated as a nonprofit entity for the purpose of providing programs for the benefit of children who reside in the inner city. The Organization is funded primarily through contributions from corporations, individuals, and churches.

#### **Program Services:**

##### **Inner City**

Each day, youth development and enrichment programming is provided for students who reside in high-need, urban communities. Centers are designed to provide a safe place for children to grow spiritually, academically, physically, and socially. Comprehensive programs including tutoring assistance, literacy and financial literacy initiatives, mentoring, organized recreational sports, and cultural experiences help support school aged youth in K-12th grade.

##### **Camp**

A summer camp is hosted in Robertson County, Tennessee for children who reside in high-risk communities.

#### **Financial Statement Presentation**

The financial statements of the Organization are presented on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$2,560,196 of net assets without donor restrictions as of December 31, 2020.

# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Financial Statement Presentation (Continued)**

*Net assets with donor restrictions* - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had \$110,000 of net assets with donor restrictions as of December 31, 2020.

The Organization accounts for contributions in accordance with the requirements of the FASB Accounting Standards Codification Revenue Recognition Topic. In accordance with the FASB Accounting Standards Codification, contributions received are recorded depending on the existence or nature of any donor restrictions.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments with an original maturity when purchased of twelve months or less to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

#### **Investments**

The Organization accounts for investments in accordance with FASB Accounting Standards Codification topic relating to Accounting for Certain Investments Held by Not-for-Profit Organizations. Under FASB Accounting Standards Codification, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investment income and unrealized gains and losses are reported as changes in unrestricted net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are reported.

# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Property and Equipment**

Land and buildings amounting to \$106,236 and \$166,812, respectively, are recorded at estimated appraised value as of December 31, 1994. Property and equipment acquired subsequent to December 31, 1994 are recorded at acquisition cost. Depreciation of property and equipment has been provided since June 30, 1990, over the estimated useful lives of the respective assets primarily on a straight-line basis.

#### **Donated Materials, Services, and Assets**

The following donations are reflected as contributions in the accompanying statements at their estimated values at the date of receipt for the year ended December 31, 2020:

Christmas Store	\$ 62,650
Lindsley	<u>11,300</u>
Total In-Kind	<u><u>\$ 73,950</u></u>

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

A number of unpaid volunteers have made significant contributions of their time to assist in fund-raising and special projects. The Organization estimates receipt of approximately 450 volunteer hours for the year ended December 31, 2020. However, these services do not meet the requirements above and have not been recorded in the accompanying financial statements.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as 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 restricted support. 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 donors. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Income Taxes**

The Organization has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to calendar year 2017 are no longer open for examination.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

#### **Restricted Endowment Funds**

The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The FASB Accounting Standards Codification provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the UPMIFA. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures not previously required.

### **2. FAIR VALUE OF INVESTMENTS**

The Organization's investments are reported at fair value in the accompanying statements of financial position.

# YOUTH ENCOURAGEMENT SERVICES, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2020**

### 2. FAIR VALUE OF INVESTMENTS (Continued)

Fair Value Measurements at December 31, 2020				
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Cash and Sweep Balances	\$ 14,890	\$ 14,890	\$ -	\$ -
Mutual Funds	107,329	107,329	-	-
	<u>\$ 122,219</u>	<u>\$ 122,219</u>	<u>\$ -</u>	<u>\$ -</u>

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly, or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

### 3. LINE OF CREDIT

During 2020, the Organization closed their Pinnacle Bank line of credit and opened a new line of credit with FirstBank. As of December 31, 2020, the balance was \$85,321.

**YOUTH ENCOURAGEMENT SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

**4. PPP LOAN PAYABLE**

In response to the pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and it was signed into law on March 27, 2020. The CARES Act implemented the Payroll Protection Program (PPP), which provides loans to small businesses and charitable organization to keep their employees on payroll. The Organization obtained a PPP loan for \$65,608 on April 28, 2020.

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are held in perpetuity with the income from assets expendable to support certain programs. A summary of the net assets with donor restrictions as of December 31, 2020 is as follows:

General Endowment Fund	\$ 105,000
Ardell Whitehead Endowment Fund	5,000
	<u>\$ 110,000</u>

The interest earned on net assets with donor restrictions is available to the Organization on an unrestricted basis.

**6. ENDOWMENT**

The Organization's endowment consists of donor restricted gifts held primarily in investment accounts. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

**Changes in Endowment Net Assets for the fiscal year ended December 31, 2020:**

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 10,274	\$ 110,000	\$ 120,274
Investment return, net appreciation	<u>1,945</u>	<u>-</u>	<u>1,945</u>
Endowment net assets, end of year	<u>\$ 12,219</u>	<u>\$ 110,000</u>	<u>\$ 122,219</u>

# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

### **6. ENDOWMENT (Continued)**

#### **Interpretation of Relevant Law**

The Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

#### **Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature did not exist as of December 31, 2020.

#### **Endowment Investment Policy and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period.

#### **Endowment Investment Policy and Risk Parameters (Continued)**

Under the Organization's policy, as approved by the Board of Directors, endowment assets are invested primarily in equity securities.

# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

### **6. ENDOWMENT (Continued)**

#### **Strategies Employed for Achieving Investment Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

#### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization has a policy of appropriating dividend and interest income from the endowment fund as necessary to fund Organization programs provided the investment balance is greater than the original gift value. Specific agreements with donors for income taken relative to their specific endowment gifts are exempted.

### **7. CONTRIBUTION OF PROPERTY**

The Carpenter's Square, Inc. contributed property to the Organization during 2020. The contributed property was valued at \$2,800,000 based on an appraisal report by the Z. Dorris Group on July 21, 2020. However, the recorded value of the contributed property was decreased by the outstanding loan on the property. As of result of this contribution, the Organization agreed to carry the outstanding note on the appraised property.

The board of directors of the Organization have approved the merging of The Carpenter's Square, Inc. into Youth Encouragement Services Inc. This merge has not occurred as of the date of the report, but will occur before December 31, 2021.

### **8. NOTE PAYABLE**

The balance of the note payable on the contributed property was \$709,499 as of December 31, 2020. This balance has since been paid off in full as noted below as a subsequent event.



# **YOUTH ENCOURAGEMENT SERVICES, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

### **9. AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets, at year-end	\$ 210,681
Less: assets unavailable for general expenditures within one year, due to donor-imposed restrictions	(110,000)
Less: unrestricted investments held within equity securities	<u>(12,219)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 88,462</u>

There is an adequate amount of financial assets available as of December 31, 2020. The Organization effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

### **10. SUBSEQUENT EVENTS**

The McIver Street property was sold on July 14, 2021 for \$1,300,000. A portion of the proceeds from the sale of the property acquired from the Carpenter's Square, Inc. was used to pay off the outstanding note payable on July 16, 2021.

The balance on the PPP Loan Payable was \$65,608 as of December 31, 2020, and has been forgiven in full as of July 14, 2021.

Subsequent events have been evaluated through August 16, 2021 which is the date the financial statements were available to be issued.