Foundation For Peace

Financial Statements
(Modified Cash Basis)

December 31, 2020
(With Comparative Totals for 2019)

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Foundation for Peace
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December 31, 2020 and 2019

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Independent Member
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Independent Auditors' Report

To the Board of Directors of
Foundation for Peace
Ironia, NJ 07845

Report on the Financial Statements

We have audited the accompanying financial statements of the Foundation for Peace (a nonprofit organization) (the "Organization"), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2020, and the related statements of support, revenue, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' 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 of 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 auditors' 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.

To the Board of Directors of
Foundation for Peace

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the assets, liabilities, and net assets – modified cash basis of Foundation for Peace as of December 31, 2020, and its support, revenue, expenses and changes in net assets – modified cash basis and its cash flows – modified cash basis for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Report on Summarized Comparative Information

We have previously audited Foundation for Peace's 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated March 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Nisivoccia LLP
Mt. Arlington, New Jersey
February 17, 2021

Foundation for Peace
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis
December 31, 2020 and 2019

ASSETS		2020		2019
Cash	$	380,679	$	226,933
Investments		27,126		56,950
Employee advance		15,400		17,800
Property and equipment, net		200,774		204,946
Security deposit		80,000		80,000
Total assets	$	703,979	$	586,629
LIABILITIES AND NET ASSETS				
Liabilities:				
Accrued interest payable	$	2,392		
Refundable advance		8,531		
Economic Injury Disaster Loan		150,000		
Total liabilities		160,923		
Net assets:				
Without donor restrictions		543,056	$	586,629
Total net assets		543,056		586,629
Total liabilities and net assets	$	703,979	$	586,629

See Accompanying Notes to Financial Statements

Foundation for Peace
Statement of Support, Revenue, Expenses and Changes in Net Assets – Modified Cash Basis
For the Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	
	2020	2019
Revenue and support:		
Mission trip fees	$ 155,277	$ 637,302
Dominican Republic programs	51,385	90,825
Haiti programs	173,435	161,157
Kenya programs	70,932	49,734
General contributions	261,151	135,174
Missionary contributions	36,321	53,104
Economic Injury Disaster Loan		
Emergency Advance	10,000	
In-kind contributions	333,439	1,581,472
Net investment income	12,427	5,123
Interest income	173	902
Total revenue and support	1,104,540	2,714,793
Expenses:		
Program services:		
Education, healthcare and construction	1,125,948	2,640,737
Supporting services:		
General and administrative	22,165	30,404
Total expenses	1,148,113	2,671,141
Changes in net assets	(43,573)	43,652
Net assets, beginning of year	586,629	542,977
Net assets, end of year	$ 543,056	$ 586,629

See Accompanying Notes to Financial Statements

Foundation for Peace
Statement of Functional Expenses – Modified Cash Basis
For the Years Ended December 31, 2020 and 2019

	Program Services	Supporting Services	Total	
	Education, Healthcare and Construction	General and Administrative	2020	2019
Construction projects	$ 413,576		$ 413,576	$ 395,000
Education	63,902		63,902	101,850
Administrative support		$ 967	967	5,598
Staff expenses and stipends	144,121		144,121	319,647
Mission trips	150,051		150,051	224,483
Communication expense	16,841		16,841	14,266
Professional fees		16,145	16,145	18,481
In-kind expenses	333,439		333,439	1,581,472
Bank fees		2,507	2,507	6,171
Interest expense		2,392	2,392	
Total expenses before depreciation	1,121,930	22,011	1,143,941	2,666,968
Depreciation expense	4,018	154	4,172	4,173
Total expenses	$ 1,125,948	$ 22,165	$ 1,148,113	$ 2,671,141

See Accompanying Notes to Financial Statements

Foundation for Peace
Statement of Cash Flows – Modified Cash Basis
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ (43,573)	$ 43,652
Adjustments to reconcile change in net assets		
to net cash used in operating activities:		
Depreciation expense	4,172	4,173
Donated securities	(69,613)	(188,100)
Net unrealized and realized gain on investments	(12,427)	(5,123)
Dividends reinvested in marketable securities	(390)	(647)
Changes in operating assets and liabilities:		
Employee advance	2,400	3,600
Accrued interest payable	2,392	
Refundable advance	8,531	
Net cash used in operating activities	(108,508)	(142,445)
Cash flows from investing activities:		
Proceeds from sale of investments	112,254	154,930
Net cash provided by investing activities	112,254	154,930
Cash flows from financing activities:		
Proceeds from Economic Injury Disaster Loan	150,000	
Net cash provided by financing activities	150,000	
Net increase in cash	153,746	12,485
Cash, beginning of year	226,933	214,448
Cash, end of year	$ 380,679	$ 226,933
Supplemental disclosure of noncash activity:		
Donated securities	$ 69,613	$ 188,100
Unrealized gain on investments	$ 4,586	$ 3,493
In-kind donation of medicine and supplies	$ 333,439	$ 1,581,472

1. Nature of Organization

Foundation for Peace (the "Organization") is a not-for-profit organization dedicated to education in the United States and to working hand in hand with people in materially impoverished areas of the Dominican Republic, Haiti, and Kenya to provide educational support, healthcare access, economic opportunity and hope.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by Foundation for Peace in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting

The financial statements of Foundation for Peace have been prepared on the modified cash-basis of accounting, modified to record assets or liabilities with respect to cash transactions and events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. The modifications result in the recording of investments, and capitalization of property and equipment on the statement of assets, liabilities and net assets. Except for recording the unrealized gains and losses, all transactions are recognized as either revenue or expenses when received or paid in cash. This basis of accounting represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting differs from GAAP primarily because certain revenue and related assets have been recognized when received rather than when earned and certain expenses and related liabilities have been recognized when paid rather than when the obligations were incurred.

Basis of Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update No. 2016-14, dated August 2016, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities (FASB Update).* In addition, the Organization uses the FASB's *Accounting for Contributions Received and Made.* The standard requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. In addition, the standard requires the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of assets, liabilities and net assets – modified cash basis date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

Accounting for Contributions Received and Made requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources representing the portion of expandable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed stipulations. Net assets without donor restrictions are comprised of revenue and expenses related to the operations of the Organization, which have no restrictions on the uses of the funds. Net assets without donor restrictions also include those expandable resources which may have been designated for special use by the Board of Directors. There were no board designated net assets as of December 31, 2020 and 2019.

Net Assets with Donor Restrictions

Net assets with donor restrictions are 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, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of support, revenue, expenses and changes in net assets – modified cash basis. The Organization did not have net assets with donor restrictions at December 31, 2020 and 2019.

Adoption of New Accounting Standards

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Investments

Foundation for Peace follows FASB ASC, *Accounting for Certain Investments held by Not-for-Profit Organizations*. In accordance with this standard, securities purchased for investment are carried at fair value; those received as gifts are recorded at fair value at date of gift and all investments in debt securities are reported at their fair market values in the statement of assets, liabilities, and net assets – modified cash basis. Unrealized gains and losses are included in the change in net assets. Net investment return/(loss) is reported in the statements of support, revenue, expenses and changes in net assets - modified cash basis and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statement of support, revenue, expenses and changes in net assets – modified cash basis and a new cost basis would be established. For the years ended December 31, 2020 and 2019, the Organization did not record any impairment charge in the statement of support, revenue, expenses and changes in net assets – modified cash basis.

Fair Value of Measurements

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information might not be available.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Cash, employee advance and accrued interest payable: the carrying amounts approximate fair value because of the short-term maturity of these instruments.

Refundable advance: The Paycheck Protection Program (“PPP”) advance, a government grant which may be forgiven or converted to a loan at a future point in time and which imputed interest does not apply, is carried at cost. However, management believes the Organization will receive full forgiveness of The Paycheck Protection Program advance and, therefore, the Organization has determined it approximates fair value.

Long-term debt: Long-term debt is carried at cost However, management believes the Organization can obtain similar loans at similar terms, therefore, the Organization has determined it approximates fair value.

Mutual funds: The carrying amounts are valued at the net asset value (NAV) of shares held by Foundation for Peace at year end.

Equities: The carrying amounts are stated at the value at the closing price reported in the active market in which the individual securities are traded.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value at date of gift, when donated. Proceeds from the sale of fixed assets, if without restrictions, are transferred to net assets without donor restrictions, or, if restricted, to net assets with donor restrictions for fixed asset acquisitions.

Depreciation is provided for by the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs and renewals which neither materially add to the value of property nor appreciably prolong its life are charged to expenses as incurred.

In accordance with FASB ASC, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization periodically evaluates property and equipment for impairment, relying on a number of factors including operating results, and future business plans. Recoverability of property is evaluated by a comparison of the carrying amount of an asset or asset group to estimated future recoverability of the carrying amount of the asset or asset group.

If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds the estimated fair value. There were no impairment charges for the years ended December 31, 2020 and 2019.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Revenue and Support Recognition

All public support and revenue is recognized as income when received.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, expenses and changes in net assets – modified cash basis as net assets released from restrictions. However, if the donor restriction is met during the accounting period in which the gift was received, the gifts are reported as contributions without donor restrictions in the statement of support, revenue, expenses and changes in net assets – modified cash basis.

Functional Allocation of Expenses

Expenses are charged to program services based on direct expenditures incurred. Support costs are allocated to program services based on total program costs. Any program expenditures not directly chargeable are allocated to a program based on the level of activity attributed. Program expenses are those related to the provision of education, healthcare and construction programs. General and administrative services relate to administrative expenses associated to those programs. Fundraising expenses include the direct costs of special events and the allocation of employees' salaries, when applicable, and other costs involved in fundraising and special events based on estimates of time and effort.

The costs of program and supporting services activities have been summarized on a functional basis in the statement of revenue and support, expenses, and changes in net assets – modified cash basis. The statement of functional expenses – modified cash basis presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Donated Services

Volunteers contribute their time to the Organization's operations and various programs. In addition, the officers and Board of Directors make significant contributions of time relative to general management and operations of the Organization. The value of this contributed time is not reflected in these financial statements since it does not meet criteria for recognition under the modified cash basis of accounting.

Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash.

Prior Year Summarized Financial Information

The financial statements include certain prior years summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is thereby exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not for Profit Act*. Accordingly, no provision for federal or state income taxes has been presented in the accompanying financial statements.

As required by law, the Organization files informational returns with both Federal and New Jersey State governments on an annual basis - Form 990 with the Internal Revenue Service, and Form CRI-300R with the State. These returns are subject to examination by these authorities within certain statutorily defined periods for both Federal and the State of New Jersey.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2020 through the date of the independent auditors' report and the date the financial statements were available to be issued, February 17, 2021. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

3. Employee Advance

During 2014, the Organization advanced payroll to an employee. Payments of $500 are to be deducted from the employee's paycheck beginning January 2018 until the advance is fully repaid. At December 31, 2020 and 2019, the balance of the employee advance was $15,400 and $17,800, respectively

4. <u>Property and Equipment</u>

Property and equipment and their related estimated useful lives at December 31, 2020 and 2019 are as follows:

	Estimated Useful Life (Years)	December 31, 2020	December 31, 2019
Land		$ 108,975	$ 108,975
Building	40	166,912	166,912
Equipment	5	3,000	3,000
Vehicles	5	90,287	90,287
		369,174	369,174
Less: accumulated depreciation		(168,400)	(164,228)
		$ 200,774	$ 204,946

Depreciation expense for the years ended December 31, 2020 and 2019 amounted to $4,172 and $4,173, respectively.

5. <u>In-Kind Contributions</u>

In-kind contributions consist of large donations from Heart to Heart International, as well as smaller donations from other individuals. The in-kind contributions match the in-kind expenses which are all allocated as program expenses. Donations from Heart to Heart International amounted to $325,303, Blessings International amounted to $6,287 and other donations amounted to $1,849 for the year ended December 31, 2020. Donations from Heart to Heart International amounted to $1,471,405 and $110,067 from Blessings International for the year ended December 31, 2019.

In-kind contributions consist of various donated medicines that are given to the people in the Dominican Republic, Kenya & Haiti. The remaining in-kind contributions are from numerous donors and consist of assorted supplies that also relate to program expenses.

6. <u>Line of Credit</u>

The Organization has an available $50,000 line of credit, at a 10% interest rate, with a financial institution. There was no outstanding balance as of December 31, 2020 and 2019. The line of credit will remain effective until either party decides to terminate it.

7. <u>Investments</u>

The following financial instruments, measured on a recurring basis, are carried at fair value in the Organization's financial statements. The fair value disclosures include information regarding the valuation of the Organization's investments at December 31, 2020 and 2019.

	2020		
	Cost Basis	Fair Value (Level I)	Unrealized Gains
Equities	$ 4,304	$ 5,101	$ 797
Mutual Funds	15,670	22,025	6,355
Total investments	$ 19,974	$ 27,126	$ 7,152

	2019		
	Cost Basis	Fair Value (Level I)	Unrealized Gains
Equities	$ 39,104	$ 39,811	$ 707
Mutual Funds	15,280	17,139	1,859
Total investments	$ 54,384	$ 56,950	$ 2,566

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets for identical assets and liabilities. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets and liabilities in active or inactive markets. Financial assets and liabilities valued using level 3 inputs are based on estimates using present value or other valuation techniques where quoted market prices are not available. Financial assets of the Organization have been valued using level 1 for the years ended December 31, 2020 and 2019.

Investment activity for the years ended December 31, 2020 and 2019 is comprised of the following:

	2020	2019
Fair value, beginning of year	$ 56,950	$ 18,010
Donated securities	69,613	188,100
Sales	(112,254)	(154,930)
Dividend income reinvested	390	647
Realized and unrealized gain	12,427	5,123
Fair value, end of year	$ 27,126	$ 56,950

Return on investments for the years ended December 31, 2020 and 2019 is comprised of the following:

	2020	2019
Unrealized and realized gain on investments	$ 12,427	$ 5,123
Dividends	390	647
Total	$ 12,817	$ 5,770

8. Security Deposit

During 2016, the Organization paid a security deposit in the amount of $80,000. The security deposit is for the purchase of a house in Haiti to build a vocational and linguistic school as part of the Organization's mission.

9. Refundable Advance

In May 2020, the Organization was approved and received funding in the amount of $8,531 under The Paycheck Protection Program. Certain amounts will be forgiven if the Organization utilizes these funds in accordance with guidelines outlined under the program. Management is currently evaluating the use of these funds; therefore, the related financial impact and potential amount expected to be repaid cannot be reasonably estimated at this time. At December 31, 2020, the refundable advance amounted to $8,531.

10. Long-Term Debt

In May 2020, the Organization applied and received an Economic Injury Disaster Loan (EIDL) in the amount of $150,000. The EIDL program is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to corona virus (COVID-19). The proceeds of the loan must be used for working capital and normal operating expenses. The loan is secured by collateral as defined by the loan agreement. The loan accrues interest at the rate of 2.75% per annum. The Organization will make installment payments, including principal and interest of $641 monthly and will begin repayments twelve months from the date of the promissory note which was May 22, 2020. The balance of principal and interest will be payable over thirty years from the date of the promissory note. The outstanding balance on the Economic Injury Disaster Loan at December 31, 2020 was $150,000.

Principal amounts due under the above obligation, maturing in each of the years subsequent to December 31, 2020, are as follows:

Year endig December 31,	Amount
2021	$ 2,095
2022	3,671
2023	3,773
2024	3,878
2025	3,986
Thereafter	132,597
Total	$ 150,000

11. Risk and Uncertainties

The COVID-19 coronavirus outbreak has caused business disruption through government mandated and voluntary closings and has contributed to significant volatility in financial markets. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter may have an impact on its future operating results. Although the related financial impact and duration cannot be reasonably estimated at this time.