

**FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**LIBERTY'S PROMISE  
(A NON-PROFIT ORGANIZATION)**

**December 31, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

June 15, 2022

To the Board of Directors of:

Liberty's Promise  
Alexandria, VA.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Liberty's Promise (a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits 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 presentation 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Liberty's Promise as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Janner & Jrist, PC*

Warren, Rhode Island

**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENTS OF FINANCIAL POSITION**  
**As of December 31,**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 730,143	\$ 546,206
Investment in marketable securities	13,805	10,060
Grant receivable	286,059	162,993
Promises to give	125,056	71,250
Prepaid expenses	31,624	10,706
Total current assets	1,186,687	801,215
<b>PROPERTY AND EQUIPMENT - At cost:</b>		
Furniture and equipment	45,107	47,852
Less: accumulated depreciation and amortization	24,760	43,210
Property and equipment, net	20,347	4,642
<b>OTHER ASSETS:</b>		
Grants receivable and promises to give, net of current )	25,000	---
Security deposits	3,187	1,350
Total other assets	28,187	1,350
<b>TOTAL</b>	<b>\$ 1,235,221</b>	<b>\$ 807,207</b>

The accompanying notes are an integral part of these statements.

**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENTS OF FINANCIAL POSITION (continued)**  
**As of December 31,**

LIABILITIES AND NET ASSETS

	<b>2021</b>	<b>2020</b>
<b>CURRENT LIABILITIES:</b>		
Accounts payable - trade	\$ 9,641	\$ 6,703
Accrued expenses	25,222	25,749
Current maturities of long-term debt	132,072	100,845
Deferred grant income	148,448	58,987
Total current liabilities	315,383	192,284
 <b>LONG-TERM DEBT,</b>		
less current maturities	148,530	150,000
	463,913	342,284
 <b>NET ASSETS:</b>		
Without Donor Restrictions		
Operating	594,879	273,601
Board designated	64,473	43,107
	659,352	316,708
With Donor Restrictions	111,956	148,215
Total net assets	771,308	464,923

<b>TOTAL</b>	<b>\$ 1,235,221</b>	<b>\$ 807,207</b>
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The accompanying notes are an integral part of these statements.

**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT &amp; REVENUE:</b>			
Grant income	\$ 955,920	\$ 78,521	\$ 1,034,441
Contributions	184,740	-	184,740
Foregiveness of Payroll Protection Loan	100,845	-	100,845
Interest and dividend income	1,073	-	1,073
Net unrealized gain	3,345	-	3,345
Miscellaenous income	1,550	-	1,550
Net assets released from donor restrictions	114,780	(114,780)	-
 Total unrestricted support and reclassifications	 1,362,253	 (36,259)	 1,325,994
 <b>EXPENSES:</b>			
Program services	822,467	-	822,467
Support services			
Management and general	131,826	-	131,826
Fundraising	65,316	-	65,316
 Net expenses	 1,019,609	 -	 1,019,609
 Change in net assets	 342,644	 (36,259)	 306,385
Net assets, January 1, 2021	316,708	148,215	464,923
Net assets, December 31, 2021	\$ 659,352	\$ 111,956	\$ 771,308

The accompanying notes are an integral part of these statements.

**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT &amp; REVENUE:</b>			
Grant income	\$ 686,774	\$ 95,000	\$ 781,774
Contributions	193,913	-	193,913
Interest and dividend income	665	-	665
Net unrealized loss	(551)	-	(551)
Miscellaenous income	6,977	-	6,977
Net assets released from donor restrictions	30,234	(30,234)	-
 Total unrestricted support and reclassifications	 918,012	 64,766	 982,778
 <b>EXPENSES:</b>			
Program services	698,177	-	698,177
Support services			
Management and general	146,635	-	146,635
Fundraising	67,224	-	67,224
 Net expenses	 912,036	 -	 912,036
 Change in net assets	 5,976	 64,766	 70,742
Net assets, January 1, 2020	310,732	83,449	394,181
Net assets, December 31, 2020	\$ 316,708	\$ 148,215	\$ 464,923

The accompanying notes are an integral part of these statements.



**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2021**

	Program Services	Support Services			Totals
		Management & General	Fundraising	Total Support	
Salaries and wages	\$ 495,401	\$ 67,585	\$ 47,652	\$ 115,237	\$ 610,638
Payroll taxes	43,270	5,187	3,668	8,855	52,125
Fringe benefits	83,916	11,282	1,305	12,587	96,503
Total payroll related expenses	622,587	84,054	52,625	136,679	759,266
Civic classes	77,877	-	-	-	77,877
Occupancy	41,533	3,593	1,553	5,146	46,679
Internship	24,400	-	-	-	24,400
Scholarships	22,000	-	-	-	22,000
Professional fees	282	13,073	3,171	16,244	16,526
Office expenses and supplies	9,680	4,519	502	5,021	14,701
Telephone and internet	12,733	341	515	856	13,589
Interest	-	9,022	-	9,022	9,022
Insurance	-	8,427	-	8,427	8,427
Staff training & meetings	3,537	2,320	1,257	3,577	7,114
Printing & reproduction	186	815	2,916	3,731	3,917
Research	3,808	-	-	-	3,808
Travel	2,188	141	66	207	2,395
Depreciation	956	1,434	-	1,434	2,390
Fees	-	1,198	973	2,171	2,171
Payroll processing fee	-	2,091	-	2,091	2,091
Postage and shipping	59	282	1,643	1,925	1,984
Miscellaneous	641	516	95	611	1,252
Total	\$ 822,467	\$ 131,826	\$ 65,316	\$ 197,142	\$ 1,019,609

The accompanying notes are an integral part of these statements.

**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2020**

	<b>Support Services</b>				<u>Totals</u>
	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total Support</u>	
Salaries and wages	\$ 490,432	\$ 76,343	\$ 29,131	\$ 105,474	\$ 595,906
Payroll taxes	41,150	5,844	2,239	8,083	49,233
Fringe benefits	64,596	11,304	1,928	13,232	77,828
Total payroll related expenses	596,178	93,491	33,298	126,789	722,967
Occupancy	38,772	2,290	23,366	25,656	64,428
Professional fees	-	31,707	5,750	37,457	37,457
Civic classes	32,992	-	-	-	32,992
Telephone and internet	10,888	151	291	442	11,330
Office expenses and supplies	4,993	1,786	1,613	3,399	8,392
Insurance	-	7,587	-	7,587	7,587
Scholarships	4,000	-	-	-	4,000
Staff training & meetings	2,069	1,771	79	1,850	3,919
Research	3,418	-	-	-	3,418
Depreciation	924	1,386	-	1,386	2,310
Printing & reproduction	268	152	1,864	2,016	2,284
Interest	-	2,063	-	2,063	2,063
Internship	2,000	-	-	-	2,000
Payroll processing fee	-	1,982	-	1,982	1,982
Travel	1,528	223	50	273	1,801
Fees	-	1,616	31	1,647	1,647
Postage and shipping	147	427	882	1,309	1,456
Miscellaneous	-	3	-	3	3
Total	<u>\$ 698,177</u>	<u>\$ 146,635</u>	<u>\$ 67,224</u>	<u>\$ 213,859</u>	<u>\$ 912,036</u>

The accompanying notes are an integral part of these statements.

**Liberty's Promise (A Non-Profit Organization)**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31,**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 306,385	\$ 70,742
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,390	2,310
Contribution of marketable securities	-	(6,906)
Contribution of equipment	(4,536)	-
Forgiveness of Payroll Protection Loan	(100,845)	-
Reinvestment of dividends	(400)	(249)
Unrealized & realized loss (gain) on marketable securities	(3,345)	551
Decrease (increase) in operating assets:		
Grants receivable	(123,066)	21,048
Promises to give	(78,806)	18,750
Prepaid expenses and security deposits	(22,755)	102
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	2,411	(28,252)
Deferred grant income	89,461	58,987
	66,894	137,083
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS USED BY INVESTING ACTIVITIES:</b>		
Purchase of furniture and fixtures	(13,559)	---
	(13,559)	---
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	130,602	250,845
	130,602	250,845
<b>NET CHANGE IN CASH</b>		
Cash and cash equivalents - January 1,	546,206	158,278
	546,206	158,278
Cash and cash equivalents - December 31,	\$ 730,143	\$ 546,206
	730,143	546,206
<b>SUPPLEMENTARY CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ 9,000	\$ -
	9,000	-

The accompanying notes are an integral part of these statements.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**1. Nature of Activities**

Liberty's Promise (a non-profit organization) was incorporated on May 1, 2003 in the District of Columbia. Its purpose is to support young immigrants as they become active participants in American society. The Organization collaborates with government agencies, businesses, and non-profit organizations to offer internships for young immigrants and promotes active community involvement through after-school programs of civic engagement.

**2. Basis of Accounting**

The Organization recognizes income on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

**3. Basis of Presentation**

The financial statements are presented in accordance with FASB Accounting Standard Codification (FASB ASC) released ASU2016-14 Not-for-Profit Entities (Topic 958). Under ASU 2016-14, 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 with donor restrictions include all assets received with donor designated restrictions whether they are perpetual in nature, or purpose or time restricted.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4. Property and Equipment**

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based on each property's estimated life.

Additions and improvements that add materially to productive capacity, or extend the life of an asset, are capitalized. Normal repairs and maintenance are charged against income. When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The estimated lives used in determining depreciation are:

Office furniture and equipment	5 to 7 years
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**5. Income Taxes**

The Organization is a not-for-profit organization that is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Organization did not have any unrelated business income for the years ended December 31, 2021 and 2020.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**6. Cash and Cash Equivalents**

For purposes of the statements of financial position and cash flows, the Organization considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be considered cash.

**7. Contributed Services and Occupancy**

During the year ended December 31, 2021, the Organization was a recipient of classroom space valued at \$16,385 and various computers valued at \$4,536. Additionally, the Organization during the year ended December 31, 2020 received capacity building professional services valued at \$67,952. Various volunteers provided other services to the Organization, but these services do not meet the criteria for recognition.

**8. Restricted and Unrestricted Revenue**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**9. Promises to Give**

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**10. Liquidity**

The Organization maintains a liquid cash balance through its checking account in an amount necessary to meet its anticipated expenditures for the next 30 days. The Organization reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Any restricted cash is separately identified and monitored as part of the Organization's monthly financial reporting process.

The Organization's financial assets available within one year to meet cash needs for general expenditures through December 31, 2022 are as follows:

Financial Assets:	
Cash	\$ 730,143
Investment in Marketable Securities	13,805
Grants Receivable	286,059
Promises to Give	<u>150,056</u>
Total Financial Assets	1,180,063
Less amounts not available within one year	<u>-111,956</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$1,068,107</u>

**11. Grants and Contract Awards**

The Organization receives grants from private grantors for various purposes. Grants and contract awards not yet received are accrued to the extent that unreimbursed expenses have been incurred for the purposes specified by an approved grant or contract. The Organization defers grants and contract revenues received under approved awards from grantors to the extent they exceed expenses incurred for the purposes specified under the grant restrictions.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**12. Functional Allocation of Expenses**

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

**13. Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**14. Uncertain Tax Provisions**

Accounting for uncertain income tax positions, relating to both federal and state income taxes, are required when a more likely than not threshold is attained. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. With the adoption of these new rules, the Organization assessed its tax positions in accordance with the guidance. The Organization has determined that its tax status as a VA non-profit corporation is its only tax position and is highly certain. Therefore, these new rules had no impact on the Organization's financial statements.

**15. Subsequent Events**

Management has evaluated subsequent events through June 24, 2022, the date which the financial statements were available to be issued.



**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE B – COMMITMENTS**

The Organization is obligated under the following rental leases:

<u>Lessor</u>	<u>Location/Equipment</u>	<u>Term / Exp. Date</u>	<u>Terms</u>
Angel's Security Corp	2900-A Richmond Hwy., Alexandria, VA 22305-3023	Two year, July 1, 2021, to June 30, 2023.	\$18,360 annual rental due in 12 equal monthly payments effective for the first year and CPI increase for the second year
Knowles Assoc, LLC	Suite#604 10400 Conn. Ave, Kensington, MD 20895	One year, August 1, 2021 to July 31, 2022.	\$16,044 annual rental due in 12 equal monthly payments
Harbor Enterprise Center, LLC	Suite #314 3500 Boston St, Baltimore, MD	One year, renewable. July 1, 2021 to June 30, 2022.	\$7,608 annual rental due in 12 equal monthly payments

The future minimum rental commitments under operating leases as of December 31, 2021 are as follows:

For the year ending December 31, 2022	\$ 32,213
For the year ending December 31, 2023	9,870

**NOTE C - CONTINGENCIES**

Grants require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. Although that is a possibility, management deems this contingency remote, since it believes that it has complied with the terms of each grant.

**NOTE D - NEW FUTURES**

New Futures, a non-profit agency located in Washington, D.C. offers financial and mentoring support to low-income, D.C.-area young people seeking economic self-sufficiency through post-secondary education. The agency has 11 community partners that nominate and mentor scholars. Liberty's Promise is one of these partner organizations.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE E – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are as follows:

	<u>2021</u>	<u>2020</u>
Organization	\$150,056	\$71,250
Receivables due in less than one year	\$125,056	\$71,250
Receivables due in one to two years	<u>25,000</u>	<u>-0-</u>
Net unconditional promises to give	<u>\$150,056</u>	<u>\$71,250</u>

**NOTE F – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at the end of the year represent grants that have been received and with time or purpose restrictions by the grantor. As these funds are expended, the donor restrictions expire and the net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities.

Temporarily restricted net assets, by fund, as of December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Time or purpose restrictions:		
Civics	<u>\$111,956</u>	<u>\$148,215</u>

**NOTE G - RETIREMENT PLAN**

The Organization installed a 403(b)-retirement plan on March 31, 2015. For all eligible employees, each participant can defer up to \$15,000 of their gross wages which are immediately invested. The Organization has the option each year to contribute to the plan on behalf of its employees. The retirement plan expense for years ended December 31, 2021 and 2020 were \$29,388 and \$11,846, respectively.

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE H – CASH - CONCENTRATION OF RISK**

The Organization maintains its cash in bank accounts that, at times, may exceed federally insured limits. The aggregate of all uninsured balances at December 31, 2021 was \$480,143. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on cash and cash equivalents.

**MARKETABLE SECURITIES - CONCENTRATION OF RISK**

The Organization maintains an account with a brokerage firm. The account contains cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Security Investor Protection Corporation. The brokerage firm maintains additional insurance to cover any significant credit risk on cash and cash equivalents. The Organization has not experienced any losses in such accounts. The Organization believes that it is not exposed to any significant credit risk on cash and cash equivalents.

**NOTE I – INVESTMENT IN MARKETABLE SECURITIES**

The Organization classifies debt and equity securities into two categories, available-for-sale securities and held-to-maturity securities. All securities are carried at their fair market values in the statement of financial position. Unrealized gains and losses are included in the accompanying statement of activities.

As of December 31, 2021 and 2020, detail of the unrealized gains and losses was as follows:

	Amortized <u>Cost</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized <u>Losses</u>	Fair Market <u>Value</u>
Available-for-sale securities				
2021 Equity securities	<u>\$11,729</u>	<u>\$2,990</u>	<u>\$914</u>	<u>\$13,805</u>
2020 Equity securities	<u>\$11,329</u>	<u>\$217</u>	<u>\$1,486</u>	<u>\$10,060</u>

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE I – INVESTMENT IN MARKETABLE SECURITIES (continued)**

On January 1, 2009, the Organization adopted certain provisions of ASC Topic 820. ASC Topic 820 clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability and establishes the following fair value hierarchy.

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the partners or managers have the ability to access.
- Level 2 inputs may include quoted prices for similar assets and liabilities in active intervals; and
- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall with the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents financial assets that the Organization measured at fair value on a recurring basis as of December 31, 2020 and 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2020 Equity securities	<u>\$13,805</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$13,805</u>
2019 Equity securities	<u>\$10,060</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$10,060</u>

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE J – NOTES PAYABLE**

As of December 31, 2021, the organization was liable on the following notes:

	<u>2021</u>	<u>2020</u>
Paycheck Protection Program Loan (PPP). The note dated May 1, 2020 has a term of 24 months and an interest rate of 1.00%. The Organization has classified the note as a short-term liability because it anticipates forgiveness of the loan within the next year. The loan was forgiven on March 25, 2021	\$ -0-	\$ 100,845
Paycheck Protection Program Loan (PPP). The note dated January 21, 2021 has a term of 24 months and an interest rate of 1.00%. The Organization has classified the note as a short-term liability because it anticipates forgiveness of the loan within the next year. The loan was forgiven on January 31, 2022.	130,602	-0-
U.S. Small Business Administration Loan The note date July 13, 2020 has a term of 30 years at the rate of 2.75%. The note calls for monthly payments beginning on July 13, 2021 interest and principal and due on July 13, 2050. Each payment will be applied to accrued interest first and the balance, if any, will be applied to principal. The note is secured by all tangible and intangible property	<u>150,000</u>	<u>150,000</u>
Total	280,602	250,845
Less: current maturities	<u>132,072</u>	<u>100,845</u>
Long-term portion	<u>\$148,530</u>	<u>\$150,000</u>

**Liberty's Promise**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021 and 2020**

**NOTE J – NOTES PAYABLE (continued)**

Future maturities are as follows:

For the year ended December 31, 2022	\$132,072
For the year ended December 31, 2023	3,653
For the year ended December 31, 2024	3,755
For the year ended December 31, 2025	3,860
For the year ended December 31, 2026 and thereafter	<u>137,262</u>
	<u>\$280,602</u>

**NOTE K – COVID-19**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses as well as public schools. 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 to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.