

**Community Thread**

Financial Statements with  
Independent Auditor's Report

December 31, 2022

**Community Thread**  
Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Community Thread

**Opinion**

We have audited the accompanying financial statements of Community Thread (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Thread as of December 31, 2022, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Community Thread and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Community Thread's ability to continue as a going concern within 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Community Thread'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 Community Thread'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.

#### **Report on Summarized Comparative Information**

We have previously audited Community Thread's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schutz CPA, Ltd.

October 2, 2023

**Community Thread**  
Statement of Financial Position  
December 31, 2022  
(With Comparative Totals for 2021)

	2022	2021
<b>Assets</b>		
<u>Current Assets</u>		
Cash	\$ 601,593	\$ 534,839
Contributions Receivable	25,946	21,007
Prepaid Expenses	14,525	1,220
Total Current Assets	642,064	557,066
<u>Property and Equipment</u>		
Land	75,000	75,000
Building and Improvements	711,260	695,920
Furniture and Equipment	23,024	23,024
Total Property and Equipment	809,284	793,944
Accumulated Depreciation	(404,430)	(382,079)
Net Property and Equipment	404,854	411,865
<u>Other Assets</u>		
Assets Held By Community Foundation	22,517	27,692
Right of Use Asset	98,630	
Total Assets	\$1,168,065	\$ 996,623
<b>Liabilities</b>		
<u>Current</u>		
Accounts Payable	5,775	
Accrued Expenses	3,408	1,500
Deferred Revenue	5,012	3,000
Accrued PTO	55,036	55,444
Current Portion Lease Liability	39,452	
Total Current Liabilities	108,683	59,944
<u>Long-Term Liability</u>		
Lease Liability Net of Current Portion	59,178	
Total Liabilities	167,861	59,944
<b>Net Assets</b>		
Net Assets Without Donor Restrictions	801,190	835,499
Net Assets With Donor Restrictions	199,014	101,180
Total Net Assets	1,000,204	936,679
Total Liabilities and Net Assets	\$1,168,065	\$ 996,623

**Community Thread**  
Statement of Activities  
Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	2022			2021 Total
	Without Donor Restriction	With Donor Restriction	Total	
<b>Support and Revenue</b>				
Grants and Contributions	\$ 487,207	\$ 267,659	\$ 754,866	\$ 748,155
Government Grants	28,750		28,750	37,980
In Kind Program Supplies	198,139		198,139	214,135
Program Fees	9,759		9,759	8,797
Membership	12,149		12,149	
Rental Income	7,850		7,850	7,840
Fundraising	64,714		64,714	45,126
Investment Income	(3,992)		(3,992)	3,436
PPP Loan Forgiveness				160,078
Other	7,163		7,163	1,426
Released from Restrictions	169,825	\$ (169,825)		
Total Support and Revenue	<u>981,564</u>	<u>97,834</u>	<u>1,079,398</u>	<u>1,226,973</u>
<b>Expenses</b>				
Program	738,346		738,346	737,775
Management and General	197,966		197,966	134,951
Fundraising	79,561		79,561	79,645
Total Expenses	<u>1,015,873</u>		<u>1,015,873</u>	<u>952,371</u>
Change in Net Assets	<u>(34,309)</u>	<u>97,834</u>	<u>63,525</u>	<u>274,602</u>
Net Assets - Beginning of Year	835,499	101,180	936,679	662,077
Net Assets - End of Year	<u>\$ 801,190</u>	<u>\$ 199,014</u>	<u>\$ 1,000,204</u>	<u>\$ 936,679</u>

**Community Thread**  
Statement of Functional Expenses  
Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	2022			2021 Total
	Total Program Services	Management and General	Fund Raising	
Advertising	\$ 490	\$ 2,453	\$ 2,169	\$ 4,814
Communications	6,439	2,241		8,476
Contracted Services	20,400	2,009		22,409
Depreciation	20,116	2,235		22,351
Dues and Subscriptions	1,112	1,586		2,698
Education and Training	3,037	4,997	276	8,310
Employee Benefits	1,123	2,644	1,939	5,706
Insurance		9,263		9,263
Office Expense	4,824	2,026	172	7,022
Miscellaneous	1,126	4,585	60	5,771
Payroll Tax Expense	22,707	8,865	3,900	35,472
Postage and Delivery	2,380	1,880	450	4,710
Printing and Duplicating	4,996	3,333	4,811	13,140
Professional Fees	37	7,895		7,932
Program Supplies	275,618			275,618
Rent	41,268			41,268
Repair and Maintenance	16,415	12,266		28,681
Salaries	299,715	120,019	53,253	472,987
Supplies	221	643	12,531	13,395
Technology	9,226	4,854		14,080
Utilities	7,096	4,172		11,268
<b>Total Expenses</b>	<u><u>\$738,346</u></u>	<u><u>\$ 197,966</u></u>	<u><u>\$79,561</u></u>	<u><u>\$1,015,873</u></u>

**Community Thread**  
Statement of Cash Flows  
Years Ended December 31, 2022  
(With Comparative Totals for 2021)

	2022	2021
<b>Cash Flows from (to) Operating Activities</b>		
Change in Net Assets	\$ 63,525	\$ 274,602
Adjustments to Reconcile:		
Depreciation	22,351	26,176
Forgiven PPP Loans		(160,078)
(Gain)/Loss on Investment	5,175	(2,186)
(Increase) Decrease in Current Assets:		
Contributions Receivable	(4,939)	58,194
Prepaid Expenses	(13,305)	(1)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	5,775	(5,040)
Deferred Revenue	2,012	3,000
Accrued Expenses	1,500	2,356
Net Cash from (to) Operating Activities	82,094	197,023
<b>Cash Flows from (to) Investing Activities</b>		
Purchase of Property and Equipment	(15,340)	
<b>Cash Flows from (to) Financing Activities</b>		
Proceeds from PPP Loan		79,600
Net Increase in Cash	66,754	276,623
Cash, Beginning of Year	534,839	258,216
Cash, End of Year	\$ 601,593	\$ 534,839



**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 1: Nature of the Organization**

Community Thread (the Organization) is a Minnesota nonprofit corporation organized for the purpose of maximizing resources and engaging volunteers to improve the quality of life for adults and their families in the local community.

The Organization currently provides the following programs and services:

Services for Seniors, Families, and Individuals:

*Thrive Program:* The Thrive Program was established in April 2022 to assist seniors and individuals with disabilities living in the Stillwater Area. By engaging volunteers, this membership-based program helps fill requests for basic home maintenance assistance, such as cleaning, with the goal of making it easier for individuals to remain living at home. The program engages volunteer drivers who take people to and from needed appointments and to access community services. This program is available to all eligible residents of Stillwater School District 834 and anyone unable to pay the membership fee is subsidized.

The program also provides referrals and connections to resources for the public at large and offers the amenities of two Senior Centers. These centers serve as a hub of senior activity, providing a setting for programs and activities that enhance the well-being of older adults. The Stillwater site also offers free income tax preparation assistance and other services in partnership with local nonprofit organizations.

Services to Support Volunteerism:

*Volunteer Center and Holiday Hope:* The Volunteer Center serves individuals and organizations through four primary functions: connecting people to opportunities to serve through a searchable database of volunteer opportunities; building capacity for local volunteering by providing training and support in volunteer management to local nonprofit organizations; promoting volunteerism in the community; and providing special community-wide service initiatives. For example, for over 50 years Community Thread has been providing help during the holidays through the Holiday Hope program (formerly Holiday Bureau). The program registers families, people with disabilities, and seniors and matches them with sponsors who provide an individually chosen gift and a holiday meal. The program passes through in-kind gifts to program recipients.

**Note 2: Summary of Significant Accounting Policies**

Financial Statement Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Prior Year Summarized Comparative Financial Information: The December 31, 2021 financial statements are presented as 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and Cash Equivalents: The Organization's cash consists of cash held in accounts at financial institutions. Cash equivalents represent money market funds and a short-term certificate of deposit with an original maturity of three months or less from the date of acquisition.

**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 2: Summary of Significant Accounting Policies (Continued)**

Contributions Receivable: Unconditional contributions receivable that are expected to be received within one year are recorded at net realizable value. Expected amounts for future years are at discounted rates. Allowance for uncollectible promises to give is based on historical experience and management's judgement. Accounts that are determined to be uncollectible are written off against the allowance account. No allowance was considered necessary for 2022 or 2021.

Property and Equipment: The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at the estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from 5 to 40 years.

Beneficial Interest in Assets Held by Community Foundation: During 2001, the Organization established the Community Thread Fund with the St. Croix Valley Community Foundation. The funds are part of a pooled growth portfolio with the overall investment recorded at fair market value and changes in value are allocated to the Organization based on investment balances. The agreement requires the community foundation to pay the net income or principal or both, as determined by the distribution policy adopted by the community foundation. Although the community foundation has variance powers to redirect the funds, the Organization retains future economic benefit in the transferred assets.

Deferred Revenue: Amounts for 2022 consist of membership fees received in advance. Amounts for 2021 consisted of fundraising event receipts received prior to the fundraising event.

Net Assets: Net assets, revenues, gains and losses are classified based on the existence or absence of restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed restrictions and are available for use in general operations in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

*Net Assets With Donor Restrictions:* Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time or are required by donor-stipulations that they be maintained by the Organization, that neither expire by passage of time nor can be fulfilled or otherwise removed by the action of the Organization. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition:

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been substantially met.

**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 2: Summary of Significant Accounting Policies (Continued)**

Revenue is recognized when earned. Program fees and rental income are deferred to the applicable period in which related services are performed. Special event revenue is recorded equal to the fair value of direct benefits to the donors and contributions income for the excess received when the event takes place. Membership fees are recognized over the calendar year membership period.

In-Kind Contributions: Donated supplies and gift cards received are valued at the estimated fair market value at the date of donation.

Donated Services: Volunteers contribute significant amounts of time to the Organization. However, the financial statements do not reflect the value of these services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributed services are recognized for those services that improve or enhance property and equipment or for those that require specialized skills.

Advertising Costs: Advertising costs are expensed as incurred.

Functional Allocation of Expenses: The costs of providing various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services based on time and effort and usage of facilities and equipment.

Income Taxes: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates: The preparation of financial statements in accordance 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 those estimates, and those differences could be material.

Financial Instruments and Credit Risk: The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2022 and 2021, the Organization had \$351,593 and \$284,839, respectively, in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts have already been collected. Assets held by the community foundation are invested in pooled accounts by diversified investment managers whose performance is monitored the community foundation's Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Recent Accounting Guidance: During the year ending December 31, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02 *Leases (Topic 842)*. The objective of the new standard is to increase transparency and comparability in financial reporting by requiring recognition of lease obligations in the statement of financial position and related disclosures. The Organization leases space for a senior center and has recognized the right of use asset and corresponding lease liability as of January 1, 2022 but has not calculated the impact on prior years.

**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 3: Liquidity and Availability**

Financial assets available for general expenditure within one year of the statement of financial position date, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$601,593	\$543,839
Contributions Receivable	25,946	21,007
Prepaid Expenses	<u>14,525</u>	<u>1,220</u>
Total Financial Assets	642,064	557,066
Restricted for Donor Purposes	<u>(199,014)</u>	<u>(101,180)</u>
Available Financial Assets	\$423,050	\$455,886

As part of the Organization's liquidity management, the financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. Net assets with donor restrictions at year end have purpose and timing restrictions to be met in less than one year.

On September 21, 2021 the Board designated an Operating Reserve account in which three months of operating expenses (\$165,000) be set aside. Funds held in the Operating Reserve can be used in the event an operational expense arises that cannot be met from the main checking account.

Board designated funds also include investments held at a community foundation which could be requested if needed.

Excess cash is invested in short-term investments including a money market account and certificate of deposit. The Organization also has a \$100,000 line of credit which could be utilized if necessary.

**Note 4: Investments at Fair Market Value**

The fair value measurement accounting literature 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 generally are based on indirect information, such as quoted prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active. Level 3 inputs, which are the most subjective, are generally based on the organization's own assumptions on how knowledgeable parties would price assets and are developed using the best information available in the circumstances. Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. The summarized valuation of the Organization's investments by fair value hierarchy at December 31, 2022, and 2021 were as follows:

Assets Held by Community Foundation:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2022			\$22,517	\$22,517
2021			27,692	27,692

The activity of the Level 3 investments was as follows:

	<u>2022</u>	<u>2021</u>
Level 3 Investments		
Beginning Balance Investments	\$27,692	\$24,629
Income	579	989
Change in Value	(5,409)	2,279
Fees	<u>(345)</u>	<u>(205)</u>
Ending Balance Investments	\$22,517	\$27,692

**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 4: Investments at Fair Market Value (Continued)**

The Organization reinvests the proceeds available to grant, \$1,018 and \$956 in 2022 and 2021, respectively, back into the fund. Unrealized changes in fair value for investments and realized gains and losses from sales are recorded in investment income.

**Note 5: Right of Use Asset and Lease Liability**

The Organization leases space for the Bayport Senior Center under a ten-year lease which ends on June 30, 2025. The initial lease called for monthly payments of \$3,574 with an annual increase equal to the consumer price index. On January 1, 2022, the monthly payment amount was reduced to \$3,439.

There were no renewal options included in the determination of the right-of-use asset and lease liability. The Organization has elected to use the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases has been elected. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the year ended December 31, 2022 was \$39,452.

The following summarizes supplemental cash flow information:

Initial Right of Use Asset and Lease Liability	\$138,081
Reduction of Right of Use Asset	39,452
Reduction of Lease Liability	39,452

The weighted-average remaining lease term is 2.5 years.

The weighted-average discount rate is 2.25%.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are as follows:

December 31, 2023	\$39,452
2024	39,452
2025	19,726

The Organization also leases various office equipment including a copy machine and a postage machine. The remaining right to use asset and lease liability on these leases is less than \$5,000 and payments are being expensed as incurred rather than separating lease and non-lease components and recording the right to use asset and corresponding liability.

**Note 6: Line of Credit**

The Organization has a line of credit arrangement with a bank which allows the Organization to borrow up to \$100,000. Interest is payable at variable rates. Any outstanding principal balance is secured by property. There was no outstanding balance at December 31, 2022 or 2021.

**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 7: Deferred Revenue**

In accordance with professional standards the following table provides information about significant changes in deferred revenue:

	<u>2022</u>	<u>2021</u>
Deferred Revenue, Beginning of Year	\$3,000	
Revenue Recognized Current Year	(3,000)	
Increase in Deferred Revenue Current Year	<u>5,012</u>	<u>\$3,000</u>
Deferred Revenue, End of Year	5,012	3,000

**Note 8: Net Assets with Donor Restrictions**

The Organization's net assets with donor restrictions are restricted for the following purposes at December 31, 2022 and 2021:

	2022	2021
Fire Suppression System	\$ 76,355	\$ 88,180
Thrive Program	15,000	
Bayport Senior Center	52,000	
Improve Senior Medicare Outcomes	50,000	
Subject to Passage of Time	<u>5,659</u>	<u>13,000</u>
Total Net Assets With Donor Restrictions	199,014	101,180

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors.

**Note 9: Donated Goods**

Contributed supplies and gift cards consist of school supplies, snack packets, and gifts for Holiday Hope. Items are new and are valued using estimated cost of replacement at retail prices. Donated items are recorded in the financial statements as unrestricted support by the Organization at the estimated fair value on the date of donation based on the estimated cost to purchase similar items. The value of items will vary year-to-year based on the mix of items donated. As part of determining the price, the Organization analyzes and reviews the results to determine the accuracy and understand the key components of the valuations and the year-to-year changes.

**Note 10: Retirement Plan**

The Organization sponsors a retirement plan for its employees. Employees, at their option may defer a percentage of compensation. The Organization may make a discretionary contribution for eligible employees who participate in the plan. No contributions were made to the Plan by the Organization for the years ended December 31, 2022 and 2021.

**Note 11: PPP Loan**

On April 16, 2020, the Organization received loan proceeds in the amount of \$79,600 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount was to be reduced if the borrower terminates employees or reduces salaries during the covered period.

**Community Thread**  
Notes to Financial Statements  
December 31, 2022  
(With Comparative Amounts for 2021)

**Note 11: PPP Loan (Continued)**

Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization received a second PPP Loan on February 19, 2021 for \$79,600.

The Organization recorded a current liability note payable upon receipt of the proceeds.

The Organization used all PPP loan proceeds for purposes consistent with PPP and was awarded full forgiveness on both loans in 2021. Forgiveness income has been recorded for the year ended December 31, 2021.

**Note 12: Subsequent Events**

The Organization has evaluated subsequent events through October 2, 2023, which was the date the financial statements were available to be issued.