A Better Chicago

Financial Statements and
Independent Auditors' Report

December 31, 2020 and 2019 (Restated)

CONTENTS

MILLER
COOPER
& Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
A Better Chicago
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of A Better Chicago (the "Organization"), which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities 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 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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Better Chicago as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note O to the financial statements, the 2019 financial statements have been restated to correct a misstatement related to pledges receivable and contribution revenue.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., LTD.

Certified Public Accountants

Deerfield, Illinois
June 30, 2021

FINANCIAL STATEMENTS

A Better Chicago

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019 (As Restated)

ASSETS	2020	(Restated) 2019
Cash and cash equivalents	$ 8,098,785	$ 8,211,292
Pledges receivable, net	4,008,302	5,404,839
Prepaid and other assets	158,771	33,673
Property and equipment, net	40,357	85,122
	$ 12,306,215	$ 13,734,926

LIABILITIES AND NET ASSETS

	2020	(Restated) 2019
LIABILITIES		
Accounts payable and accrued expenses	$ 110,941	$ 171,192
Grants payable	1,270,000	963,000
Total liabilities	1,380,941	1,134,192
NET ASSETS		
Without donor restrictions	5,835,991	7,439,643
With donor restrictions	5,089,283	5,161,091
Total net assets	10,925,274	12,600,734
	$ 12,306,215	$ 13,734,926

The accompanying notes are an integral part of these statements.

A Better Chicago

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2020 and 2019 (As Restated)

	2020			(Restated) 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	$ 6,104,030	$ 896,345	$ 7,000,375	$ 5,250,960	$ 3,950,000	$ 9,200,960
Contributed services and gifts in-kind	294,286	-	294,286	363,773	-	363,773
Investment return, net	65,911	-	65,911	123,794	-	123,794
Net assets released from donor restrictions	968,153	(968,153)	-	1,049,603	(1,049,603)	-
Total revenues	7,432,380	(71,808)	7,360,572	6,788,130	2,900,397	9,688,527
Expenses						
Program	7,113,760	-	7,113,760	4,278,587	-	4,278,587
Fundraising	1,104,069	-	1,104,069	934,655	-	934,655
General and administrative	818,203	-	818,203	806,564	-	806,564
Total expenses	9,036,032	-	9,036,032	6,019,806	-	6,019,806
CHANGE IN NET ASSETS	(1,603,652)	(71,808)	(1,675,460)	768,324	2,900,397	3,668,721
Net assets, beginning of year	7,439,643	5,161,091	12,600,734	6,671,319	2,260,694	8,932,013
Net assets, end of year	$ 5,835,991	$ 5,089,283	$ 10,925,274	$ 7,439,643	$ 5,161,091	$ 12,600,734

The accompanying notes are an integral part of these statements.

A Better Chicago

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019 (As Restated)

	2020	(Restated) 2019
Cash flows from operating activities		
Change in net assets	$ (1,675,460)	$ 3,668,721
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	60,269	77,678
Provision for bad debts	3,690	13,800
Forgiveness of Paycheck Protection Program loan	(219,332)	-
(Increase) decrease in assets		
Pledges receivable	1,392,847	(2,686,546)
Prepaid expenses	(125,098)	27,423
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(60,251)	(191,755)
Grants payable	307,000	245,053
Net cash provided by (used in) operating activities	(316,335)	1,154,374
Cash flows from investing activities		
Certificate of deposit	-	501,934
Purchases of property and equipment	(15,504)	(19,183)
Net cash provided by (used in) investing activities	(15,504)	482,751
Cash flows from financing activities		
Proceeds from Paycheck Protection Program loan	219,332	-
Net cash provided by financing activities	219,332	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(112,507)	1,637,125
Cash and cash equivalents, beginning of year	8,211,292	6,574,167
Cash and cash equivalents, end of year	$ 8,098,785	$ 8,211,292

The accompanying notes are an integral part of these statements.

NOTE A - ORGANIZATION AND NATURE OF THE BUSINESS

A Better Chicago (the "Organization") was incorporated on January 4, 2011 as an Illinois nonprofit organization. The Organization's mission is to provide funding and management support to a portfolio of high-performing nonprofit organizations that are dramatically increasing the number of Chicago youth that are economically mobile and thriving in education, career, and life.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets 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.

2. Cash and Cash Equivalents

The Organization considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Pledges Receivable

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management monitors the collection of these receivables on a routine basis. Unconditional contributions (promises to give) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of estimated future cash flows, at the date the contribution or pledge is received, to the extent estimated to be collectible by the Organization. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts, if any, are included in contribution revenue.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Management believes pledges receivable are fully collectible at December 31, 2020 and 2019.

4. Property and Equipment

Equipment is recorded at cost, if purchased, or fair value as of the date of donation.

Depreciation is computed using the straight-line method over the estimated useful life of the asset as follows:

	Years
Computers	3 - 5
Website	3
Furniture	5

Leasehold improvements are amortized over the shorter of the lease term or its estimated useful life.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Grants Payable

Grants are recorded once they have been approved by the Organization's Board of Directors or the Leadership Council. It is the Organization's intent that amounts reflected as grants payable at December 31, 2020 will be fulfilled in 2021.

6. Income Taxes

The Organization has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from taxation on income related to its exempt purposes, under section 501(a) of the Internal Revenue Code, as an organization described in section 501(c)(3). As an exempt organization, the Organization is subject to federal and state income taxes on income determined to be unrelated business taxable income, if any.

US GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. Contributions

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Contributions (Continued)

Contributions received are recorded as net assets without donor restriction or with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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 donor restrictions.

8. Use of Estimates

In preparing financial statements, 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.

9. Contributed Services and Gifts In-Kind

In-kind contributions are recorded at their estimated fair value as both revenue and expense in the statements of activities. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The Organization records the estimated fair value of contributed services which meet these criteria (Note J).

10. Functional Expense Allocation

The cost of providing the Organization's programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, costs associated with a specific program are charged directly to that program. Costs that benefit more than one program have been allocated among the programs and supporting services benefited based on a systematic and rational method.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Functional Expense Allocation (Continued)

All expenses are charged directly to that program except office administration, travel and depreciation which are allocated based on full time equivalents and salaries and related benefits and expenses which are allocated based on time and effort.

11. Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash equivalents, pledges receivable, accounts payable and accrued expenses, and grants payable, approximate fair value due to the short maturity of these instruments.

It is the Organization's policy, in general, to measure nonfinancial assets and liabilities at fair value on a nonrecurring basis. These items are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (such as evidence of impairment) which, if material, are disclosed in the accompanying notes to the financial statements.

12. Significant Accounting Standard Applicable in a Future Year

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases,* (Topic 842), in February 2016. Under ASU 2016-02, lessees will be required to recognize, at commencement date, a lease liability representing the lessee’s obligation to make payments arising from the lease and a right-of-use asset representing the lessee’s right to use or control the use of a specific asset for the lease term. Under this new guidance, lessor accounting is largely unchanged. ASU 2016-02 was to be effective for annual financial statements of private companies issued for fiscal years beginning after December 15, 2019, however the implementation date has been deferred. The new guidance is now effective for annual financial statements of private companies issued for fiscal years beginning after December 15, 2021. Management is currently evaluating the effect that ASU 2016-02 will have on the Organization’s financial statements, and will implement ASU 2016-02 in the Organization’s December 31, 2022 financial statements using a modified retrospective approach.

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2020 and 2019:

	2020	(Restated) 2019
Financial assets at year end:		
Cash and cash equivalents	$ 8,098,785	$ 8,211,292
Pledges receivable, net	4,008,302	5,404,839
Total financial assets	12,107,087	13,616,131
Less amounts not available to be used within one year:		
Pledges receivable, net - due after one year (Note D)	1,796,123	2,911,556
Grants payable (Note F)	1,270,000	963,000
	3,066,123	3,874,556
Financial assets available to meet general expenditures over the next twelve months	$ 9,040,964	$ 9,741,575

The Organization’s goal is generally to maintain financial assets to meet six months of operating expenses as well as cash on hand at the end of the year to fully fund the coming year’s expected grants. The Organization's administrative and fundraising expenses are fully underwritten by the Board of Directors, Leadership Council, and certain restricted contributions. Administrative and fundraising expenses are estimated at $2.02 million for the year ending December 31, 2021. Support for grantees in the form of grants and management support is funded through donations. For programs existing at December 31, 2020, grants and management support is estimated by management at $5.0 million for the year ending December 31, 2021.

The Organization's program team meets regularly to identify and evaluate current and potential grantees using its investment model, testing for strength in the areas of program impact, leadership, operations, and scale. It is the Organization's goal under its current strategic plan to grow its annual level of grant making over the next 3 to 5 years. In 2021 a new multi-year program was launched to identify and invest in Chicago’s most promising innovations designed to accelerate learning recovery and well-being in communities disproportionately affected by the pandemic.

NOTE C - AVAILABILITY AND LIQUIDITY (Continued)

As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. The Organization has a $500,000 line of credit available to meet cash flow needs. Historically, the Organization has not had to draw on the line of credit.

NOTE D - PLEDGES RECEIVABLE

Pledges receivable represent outstanding unconditional pledges made by donors to the Organization as of December 31, 2020 and 2019, and are due as follows:

	2020	(Restated) 2019
Less than one year	$ 2,212,179	$ 2,493,283
Between one and three years	1,862,500	2,975,397
	4,074,679	5,468,680
Unamortized discount	(66,377)	(63,841)
	$ 4,008,302	$ 5,404,839

Pledges receivable have been reduced by a discount rate of 1.17% and 2.69% for the years ending December 31, 2020 and 2019, respectively.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020 and 2019 are as follows:

	2020	2019
Computers	$ 47,559	$ 37,078
Website	315,668	314,029
Furniture	52,347	48,963
Leasehold improvements	1,259	1,259
	416,833	401,329
Less accumulated depreciation	376,476	316,207
	$ 40,357	$ 85,122

NOTE F - GRANTS PAYABLE

The following table summarizes the changes in grants payable during the years ended December 31, 2020 and 2019.

	2020	2019
Balance, beginning of the year	$ 963,000	$ 717,947
Grants authorized	5,930,482	2,771,237
Payments made	(5,623,482)	(2,526,184)
Balance, end of the year	$ 1,270,000	$ 963,000

Grants authorized but unpaid at December 31, 2020, are payable in 2021. At December 31, 2020, the Organization had approved additional grants totaling $75,000, which were subject to the intended recipients accomplishing certain milestones, as defined in the investment agreements. These conditional grants were not reflected in the financial statements as of December 31, 2020.

NOTE G - REVOLVING LINE OF CREDIT

In May 2019, the Organization entered into a credit agreement with a financial institution for a line of credit facility. The line of credit facility allows for borrowings up to $500,000, matures on May 31, 2021, and is unsecured. Interest is charged at the borrower's option at the Prime Based Rate, Bank Offered Rate, or the London InterBank Offered Rate (LIBOR), as defined in the agreement.

There were no outstanding borrowings on the line of credit as of and during the years ending December 31, 2020 and 2019.

Subsequent to year-end, the Organization renewed their line of credit facility through May 31, 2023.

NOTE H - PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization entered into a Paycheck Protection Program (PPP) loan agreement that totaled $219,332, bore interest at 1.00%, was set to mature in April 2022, was not collateralized, and was eligible for forgiveness subject to provisions of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). During the year ended December 31, 2020, the loan was forgiven in full by the Small Business Administration (SBA) and the Organization was legally released from repaying the loan. The full forgiveness of the loan has been included as contribution revenue on the statement of activities during the year ended December 31, 2020.

As part of the PPP, the Organization is required to retain all records relating to the loan for six years from the date the loan was forgiven and permit authorized representatives of the SBA to access such records upon request. Although forgiveness of the loan has been granted, the SBA may undertake a review at any time at the SBA's discretion.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31, 2020 and 2019:

	2020	(Restated) 2019
Time restrictions	$ 1,220,000	$ 1,611,091
Catalyst fund	3,289,283	3,550,000
Chicago Design Challenge launch support	30,000	-
West Side Initiative	550,000	-
	$ 5,089,283	$ 5,161,091

Net assets were released from restrictions by incurring costs satisfying the restricted purpose specified by donors or by the passage of time during the years ended December 31, 2020 and 2019:

	2020	2019
Time restrictions	$ 581,091	$ 1,049,603
Catalyst fund	262,062	-
West Side Initiative	125,000	-
	$ 968,153	$ 1,049,603

NOTE J - CONTRIBUTED SERVICES AND GIFTS IN-KIND

The Organization receive donated services during the year ended December 31, 2020 related to legal services. The fair value of these donations were $294,286 in 2020. During the year ended December 31, 2019 the donated services related to salary and legal services. The fair value of these donations were $363,773 in 2019. These amounts were recorded as both revenues and expenses in the accompanying statements of activities.

NOTE K - FUNCTIONAL EXPENSES

The Organization provides funding and management support to high-performing nonprofit organizations. Expenses related to this function for the years ended December 31, 2020 and 2019 are as follows:

	Year ended December 31, 2020			
	Program	Fundraising	General and Administrative	Total
Grant expense and management support	$ 6,041,040	$ -	$ -	$ 6,041,040
Donor events	-	107,264	-	107,264
Professional services	143,065	-	383,479	526,544
Office administration	130,227	135,391	35,653	301,271
Travel	3,057	2,924	1,668	7,649
Salaries and related benefits and expenses	768,981	833,032	389,983	1,991,996
Depreciation	27,390	25,458	7,420	60,268
	$ 7,113,760	$ 1,104,069	$ 818,203	$ 9,036,032

	Year ended December 31, 2019			
	Program	Fundraising	General and Administrative	Total
Grant expense and management support	$ 3,231,581	$ -	$ -	$ 3,231,581
Donor events	-	176,164	-	176,164
Professional services	206,134	-	381,039	587,173
Office administration	136,277	78,957	44,918	260,152
Travel	8,244	3,896	2,733	14,873
Salaries and related benefits and expenses	653,294	655,290	363,601	1,672,185
Depreciation	43,057	20,348	14,273	77,678
	$ 4,278,587	$ 934,655	$ 806,564	$ 6,019,806

NOTE L - LEASE COMMITMENTS

During 2020, the Organization leased its office space in accordance with the terms of an operating lease set to expire in June 2021. The lease provided for escalating base rental installments as defined in the agreement. The Organization terminated this lease in February 2020. The Organization did not incur an early termination fee.

In March 2020, the Organization relocated its office space and entered into an operating lease agreement through February 2023, with an option to extend as defined in the agreement. The lease began March 2020 and requires monthly rental payments ranging from $16,473 to $17,476. For financial reporting purposes, lease expense is recognized on a straight-line basis over the term of the lease. The excess of straight-line over cash paid approximates $5,000 and $11,000 at December 31, 2020 and 2019, respectively, and is included in accounts payable and accrued expenses on the statements of financial position. The Organization paid a security deposit approximating $49,000 in 2020. Rent expense for the years ended December 31, 2020 and 2019 was approximately $172,000 and $72,000, respectively.

Future minimum lease payments required under the operating lease in place at December 31, 2020 are as follows:

2021	$	202,618
2022		208,696
2023		34,952
	$	446,266

NOTE M - EMPLOYEE BENEFITS

The Organization has adopted a Safe Harbor 401(k) Plan (the "plan") covering all employees, subject to certain eligibility requirements. The Organization provides a safe harbor contribution of 3%, as described in the plan agreement. Employer contributions to the plan approximate $145,000 and $107,000 for the years ending December 31, 2020 and 2019, respectively.

NOTE N - RISKS AND UNCERTAINTIES

1. Uninsured Cash and Cash Equivalents

The Organization maintains cash and cash equivalent balances in financial institutions in Illinois. Certain accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Organization may, from time to time, have balances in excess of insured deposit limits.

2. Concentrations of Funding Sources

Approximately 27% and 34% of the Organization’s contribution revenue was received from three donors in 2020 and 2019, respectively. One of the three donors in 2020 and 2019 is a member of the Board of Directors. Approximately 58% and 54% of the Organization's pledge receivable balance at December 31, 2020 and 2019 are from four donors. One of the four donors in 2020 and 2019 is a member of the Board of Directors. Contributions may vary significantly from year to year.

3. COVID-19

The direct and indirect impacts of the current COVID-19 outbreak on the Organization's donors, vendors, and operations are currently unknown, as is the duration and severity of any impacts that the Organization may experience. In light of the pandemic the Organization suspended certain programs and in-person events, etc. However, many of these programs and events moved to a virtual environment. The Organization continues to stay in constant communication with their donors and is actively working to minimize the impact of any declines which may result. Management is currently unable to quantify the effects that this situation will have on its operations and financial position; however, they may be significant. No adjustments relating to the effects of COVID-19 have been recorded in these financial statements.

NOTE O - RESTATEMENT

During the year ended December 31, 2020 the Organization identified that pledges receivable was understated by $400,000 as of December 31, 2019 as a result of a 2019 multi-year pledge that was not recorded. The Organization has recorded an adjustment to restate pledges receivable as of December 31, 2019. The impact of the restatement on the accompanying financial statements results in an adjustment to pledges receivable, net assets with donor restrictions, and donor restricted contribution revenue as of and for the year ended December 31, 2019 as follows:

	As previously reported	Adjustment	As Restated
Statement of financial position			
Pledges receivable, net	$ 5,004,839	$ 400,000	$ 5,404,839
Net assets with donor restrictions	4,761,091	400,000	5,161,091
Total net assets	12,200,734	400,000	12,600,734
Statement of activities			
Contributions with donor restrictions	3,550,000	400,000	3,950,000
Change in net assets with donor restrictions	2,500,397	400,000	2,900,397

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2021, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than Note G and the item noted below, have occurred subsequent to the statement of financial position date that require additional disclosure in the financial statements.

On December 27, 2020, the Consolidated Appropriations Act, 2021 ("the Act") was signed into law, which includes provisions for Second Draw PPP loans through the United States Small Business Administration's Paycheck Protection Program. Subsequent to year end, the Organization has applied for and received a $290,676 Second Draw PPP loan. The loan matures in April 2026, is uncollateralized, and bears interest at 1.00%. Payment of principal and interest payments will commence after a deferral period as defined in the related loan agreement. The loan may be eligible for forgiveness if certain conditions regarding the use of the loan proceeds are met.