Financial Reports

BRIGHTER WAY INSTITUTE

Phoenix, Arizona

FINANCIAL STATEMENTS

Years Ended December 31, 2020 (Audit) and 2019 (Review)

Henry+Horne

BRIGHTER WAY INSTITUTE
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brighter Way Institute
Phoenix, Arizona

We have audited the accompanying statements of financial position of Brighter Way Institute (a not for profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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 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 auditors' judgement, 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 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 Brighter Way Institute, Inc. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The December 31, 2019 financial statements were reviewed by us, and our report theron, dated December 14, 2020, stated we were not aware of any material modiciations that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Henry & Horne, LLP

Tempe, Arizona
September 11, 2021

BRIGHTER WAY INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 (Audit) and 2019 (Review)

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 791,804	$ 641,544
Accounts receivable	135,184	252,442
Promises to give, current portion	807,000	805,088
Other receivable	150,830	-
Prepaid expenses	13,233	15,714
Supplies inventory	37,218	-
TOTAL CURRENT ASSETS	1,935,269	1,714,788
PROMISES TO GIVE, net of current portion	1,003,000	1,809,300
CASH RESTRICTED FOR LONG-TERM PURPOSES	-	250,000
PROPERTY AND EQUIPMENT, net	760,173	868,851
TOTAL ASSETS	$ 3,698,442	$ 4,642,939
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 50,086	$ 165,913
Accrued expenses	56,097	135,428
Deferred revenue	247,602	80,685
Current portion of notes payable	-	350,000
TOTAL CURRENT LIABILITIES	353,785	732,026
NOTES PAYABLE, net of current	491,005	498,127
PAYCHECK PROTECTION PROGRAM LOAN	225,393	-
TOTAL LIABILITIES	1,070,183	1,230,153
NET ASSETS		
Without donor restrictions	579,582	211,408
With donor restrictions	2,048,677	3,201,378
TOTAL NET ASSETS	2,628,259	3,412,786
TOTAL LIABILITIES AND NET ASSETS	$ 3,698,442	$ 4,642,939

BRIGHTER WAY INSTITUTE
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 (Audit) and 2019 (Review)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Program service fees	$ 1,522,928	$ -	$ 1,522,928	$ 3,867,993	$ -	$ 3,867,993
Contributions and other grants	521,954	5,000	526,954	898,887	3,077,800	3,976,687
In-kind donations	213,393	-	213,393	2,035,968	-	2,035,968
Other income	39,591	-	39,591	9,233	-	9,233
Net assets released from:						
Time restrictions	809,300	(809,300)	-	-	-	-
Purpose restrictions	348,401	(348,401)	-	559,967	(559,967)	-
TOTAL REVENUES AND SUPPORT	3,455,567	(1,152,701)	2,302,866	7,372,048	2,517,833	9,889,881
OPERATING EXPENSES						
Program services	2,484,921	-	2,484,921	6,730,637	-	6,730,637
General and administrative	569,311	-	569,311	568,405	-	568,405
Fundraising expenses	33,161	-	33,161	106,627	-	106,627
TOTAL EXPENSES	3,087,393	-	3,087,393	7,405,669	-	7,405,669
CHANGE IN NET ASSETS before loss on disposal of assets	368,174	(1,152,701)	(784,527)	(33,621)	2,517,833	2,484,212
Loss on disposal of assets	-	-	-	31,263	-	31,263
CHANGE IN NET ASSETS	368,174	(1,152,701)	(784,527)	(64,884)	2,517,833	2,452,949
NET ASSETS, BEGINNING OF YEAR	211,408	3,201,378	3,412,786	276,292	683,545	959,837
NET ASSETS, END OF YEAR	$ 579,582	$ 2,048,677	$ 2,628,259	$ 211,408	$ 3,201,378	$ 3,412,786

See independent auditors’ report and accompanying notes.

BRIGHTER WAY INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020 (Audit)

	Program Services	General and Administrative	Fundraising Expenses	Total Expenses
Salaries	$ 1,303,479	$ 240,304	$ 5,691	$ 1,549,474
Payroll taxes	103,120	20,078	470	123,668
Employee benefits	3,783	61,200	-	64,983
TOTAL PAYROLL	1,410,382	321,582	6,161	1,738,125
Professional services	71,648	134,058	14,975	220,681
Mobile clinic expense	4,967	-	-	4,967
Dental supplies	153,757	-	-	153,757
Laboratory fees	205,569	-	-	205,569
Dental equipment	8,320	-	-	8,320
In-kind supplies expense	188,445	-	-	188,445
Advertising and marketing	19,364	289	690	20,343
Occupancy expense	155,854	6,781	-	162,635
In-kind services expense	-	-	-	-
Communication and technology	108,967	10,985	2,378	122,330
Insurance	-	45,143	-	45,143
Supplies expense	32,797	15,725	8,957	57,479
Travel	654	2,680	-	3,334
Depreciation	124,197	2,535	-	126,732
Interest expense	-	29,533	-	29,533
TOTAL EXPENSES	$ 2,484,921	$ 569,311	$ 33,161	$ 3,087,393

BRIGHTER WAY INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019 (Review)

	Program Services	General and Administrative	Fundraising Expenses	Total Expenses
Salaries	$ 2,678,318	$ 312,194	$ 25,563	$ 3,016,075
Payroll taxes	216,513	32,928	2,100	251,541
Employee benefits	161,963	14,128	2,087	178,178
TOTAL PAYROLL	3,056,794	359,250	29,750	3,445,794
Professional services	334,551	79,473	33,782	447,806
Mobile clinic expense	1,728	-	-	1,728
Dental supplies	384,429	-	-	384,429
Laboratory fees	271,287	-	-	271,287
Dental equipment	46,901	10	-	46,911
In-kind supplies expense	1,373,787	-	-	1,373,787
Advertising and marketing	79,612	829	975	81,416
Occupancy expense	175,830	38,567	6,090	220,487
In-kind services expense	633,873	-	-	633,873
Communication and technology	141,537	5,076	5,682	152,295
Insurance	14,245	39,045	-	53,290
Supplies expense	86,072	16,678	13,378	116,128
Travel	7,820	4,436	16,970	29,226
Depreciation	122,171	1,632	-	123,803
Interest expense	-	23,409	-	23,409
TOTAL EXPENSES	$ 6,730,637	$ 568,405	$ 106,627	$ 7,405,669

BRIGHTER WAY INSTITUTE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 (Audit) and 2019 (Review)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (784,527)	$ 2,452,949
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	126,732	123,803
Loss on disposal of assets	-	31,263
Decrease (increase) in:		
Accounts receivable	117,258	348,250
Promises to give	804,388	(2,605,500)
Other receivables	(150,830)	-
Prepaid expenses	2,481	16,850
Supplies inventory	(37,218)	-
Increase (decrease) in:		
Accounts payable	(115,827)	98,685
Accrued expenses	(79,331)	(109,127)
Deferred revenue	166,917	(184,142)
NET CASH PROVIDED BY OPERATING ACTIVITIES	50,043	173,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(18,054)	(169,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	-	548,127
Principal payments made on notes payable	(357,122)	-
Proceeds from Paycheck Protection Program Loan	225,393	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	(131,729)	548,127
NET INCREASE (DECREASE) IN CASH	(99,740)	552,082
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	891,544	339,462
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 791,804	$ 891,544
RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION:		
Cash and cash equivalents - current	$ 791,804	$ 641,544
Cash - long-term purposes	-	250,000
	$ 791,804	$ 891,544
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 29,533	$ 23,409

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brighter Way Institute (the Organization) works in collaborative and medically integrated environments to serve the needs of the most vulnerable populations at three locations. Brighter Way Dental Center Downtown, in collaboration with other dental companies, strives to give the most comprehensive care available in the nation to our Veterans and to the homeless. Parsons Center for Pediatric Dentistry and Orthodontics is providing comprehensive dental care to children in impoverished and underserved areas. The Brighter Way Dental Center at Canyon State Academy was designed to address the issues of oral health for foster children who have limited access to comprehensive dental care.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization reports 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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments with a remaining maturity of three months or less at date of acquisition to be cash equivalents.

Accounts Receivable

Accounts receivable consists of amounts due for billings and is stated at the amount management expects to collect under the terms of the service contracts. Benefits to be paid are confirmed with the funding source before services are rendered. If it is later found that that the procedure is not covered by insurance or the patient is un-insured, the service is provided without charge. No allowance for uncollectible accounts is recorded as management expects collection on the total balance of accounts receivable.

Promises to Give

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

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Acquisitions of property and equipment in excess of $2,500 are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of buildings and equipment is calculated using the straight-line method over the estimated useful lives of the respective assets.

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in operations.

Revenue Recognition for Program Service Fees

The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised services. Program service fees consists of income earned from dental training and education and dental services provided to various clients for various programs. Program service fees are recognized in the period in which the Organization satisfies performance obligations under contracts by transferring services to its patients. The majority of program services fees revenue is recognized at a point in time, in the period the services are provided. This revenue is recognized in the amount to which the Organization expects to be entitled, based on contracted rates with funding sources. Amounts billed are due within 30 days of invoicing. Management records estimated contractual adjustment percentages based on contractual agreements, discount policies, and history of payments received compared to claim amounts billed at established rates. For uninsured patients, the Organization recognizes revenue on the basis of discounted rates based on historical experience of collections. Based on historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services rendered.

Income from program services that is collected in advance is recorded as contract liabilities (deferred revenue) and is recognized as revenue when the related services are performed.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions and grants, including promises to give, are received and recorded as income and net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor 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 statements of activities as net assets released from restrictions.

Donated Services and Materials

Donated materials and other non-cash assets are recorded at fair value in the period received. Donated services that create or enhance the Organization's nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donated services, are recorded at their fair market values in the period received.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

- Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

- Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Expenses

Expenses are charged to program services, management and general, and fundraising categories based on direct expenditures incurred. Any expenditures not directly chargeable are allocated based on personnel activity, square footage, and other appropriate indicators. Certain employee positions are allocated based on time and effort.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“the Code”), and accordingly, there is no provision for corporate income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Organization follows accounting standards for uncertainty in income taxes, which require that tax positions initially need to be recognized in the financial statements when it is more likely-than-not that the positions will not be sustained upon examination by the tax authorities. As of December 31, 2020 and 2019, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Organization recognizes interest and penalties associated with income tax in operating expenses. During the years ended December 31, 2020 and 2019, the Organization did not have any income tax related interest and penalty expense.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Date of Management’s Review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 11, 2021, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year because of donor-imposed or other restrictions or internal designations.

	2020	2019
Cash and cash equivalents	$ 791,804	$ 891,544
Accounts receivable	135,184	252,442
Promises to give	1,810,000	2,614,388
Other receivable	150,830	-
Total financial assets at year-end	2,887,818	3,758,374
Restricted for mobile clinic	-	(221,695)
Restricted for clinic construction	(124,121)	(250,000)
Promises to give, net of current portion	(1,003,000)	(1,809,300)
Financial assets available for expenditures	$ 1,760,697	$ 1,477,379

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also operating with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization maintains a line of credit with maximum available borrowings of $500,000 as of December 31, 2020.

NOTE 3 CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Organization to potential concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash in bank accounts with financial institutions which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

NOTE 4 PROMISES TO GIVE

Unconditional promises to give include the following at December 31:

	2020	2019
General operations	$ 1,510,000	$ 2,214,388
Restricted for implant coordinator salary	300,000	400,000
	$ 1,810,000	$ 2,614,388

Unconditional promises to give are expected to be realized in the following periods:

	2020	2019
Due in less than one year	$ 807,000	$ 805,088
Due in one to five years	1,003,000	1,809,300
Total promises to give	$ 1,810,000	$ 2,614,388

As of December 31, 2020 and 2019, 99% of the promises to give balance include amounts due from two donors.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2020	2019
Tenant improvements	$ 270,867	$ 270,867
Dental equipment	328,299	328,299
Office furniture and equipment	410,095	410,095
Software	9,148	9,148
	1,018,409	1,018,409
Accumulated depreciation and amortization	(400,035)	(273,303)
	618,374	745,106
Construction in progress - tenant improvements	141,799	123,745
Property and equipment, net	$ 760,173	$ 868,851

NOTE 5 PROPERTY AND EQUIPMENT (Continued)

Depreciation expense was $126,732 and $123,803 for the years ended December 31, 2020 and 2019, respectively. Construction in progress consists of tenant building improvements. These assets will be classified to the appropriate property and equipment category and commence depreciation and amortization when placed into service.

NOTE 6 NOTES PAYABLE

The Organization has a promissory note with Dignity Health which provides for maximum borrowings of $500,000, which can be drawn upon as needed. Interest is due monthly at the rate of 4% per annum. All outstanding principal and accrued interest are payable no later than September 1, 2021 and the note is collateralized by equipment of the Organization. As of December 31, 2020 and 2019, the balance of the note payable was $491,005 and $498,127, respectively.

The Organization had a promissory note with Dr. Kris Volcheck, the Chief Executive Officer of the Organization, in the amount of $350,000 at an interest rate of 4% per year. The outstanding principal and accrued interest was payable no later than December 2, 2020 and the note is unsecured. As of December 31, 2020, the balance on this note was paid in full and there was no outstanding balance due.

NOTE 7 PAYCHECK PROTECTION PROGRAM LOAN

During the year ended December 31, 2020, the Organization received funding in the amount of $225,393 under the Paycheck Protection Program (PPP) administered by the U.S. Small Business Administration (SBA). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides for funding to qualifying businesses for amounts up to 2.5 times the average monthly payroll costs incurred during the year prior to the loan date of the qualifying business. The funding and accrued interest are forgivable after 24 weeks as long as the Organization uses the loan proceeds for eligible purposes, including payroll costs, interest on mortgage obligations, rent, and utilities. The amount of the forgiveness will be reduced if the Organization reduces the number of employees or reduces salaries by more than 25% during the 24-week period beginning on the PPP funding origination date. Under the terms of the Program, no payments are due until ten months after the covered period, at which time monthly principal and interest payments are due. The Organization has elected to present the PPP funding as a loan in accordance with Financial Accounting Standards Board (FASB) ASC 470, *Debt,* until forgiveness has been granted at which time it will reclass to revenue. The PPP loan bears interest at 1.0%, is unsecured, and matures in April 2022. The Organization applied for forgiveness from the SBA of the total PPP loan amount under the terms of the Program. The PPP loan was forgiven by the SBA on May 27, 2021, and at which time the Organization recognized the loan proceeds of $225,393 as revenue in the statement of activities during the year ended December 31, 2021.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	2020	2019
Purpose restrictions:		
Mobile clinic operations	$ -	$ 221,695
Downtown clinic construction	124,121	250,000
Prosthodontist salary	25,383	20,383
Implant coordination	99,173	100,000
Time restrictions:		
Promises to give	1,500,000	2,209,300
Time and purpose restrictions:		
Implant coordinator salary	300,000	400,000
	$ 2,048,677	$ 3,201,378

NOTE 9 IN-KIND SUPPORT

In-kind support is as follows for the year ended December 31, 2020:

	Program Services	Management and General	Fundraising	Total
Dental supplies	40,038	$ -	$ -	$ 40,038
Dentist and other services	173,355			173,355
	$ 213,393	$ -	$ -	$ 213,393

NOTE 9 IN-KIND SUPPORT (Continued)

In-kind support is as follows for the year ended December 31, 2019:

	Program Services	Management and General	Fundraising	Total
Dental supplies	$ 1,401,696	$ -	$ -	$ 1,401,696
Dentist and other services	634,272			634,272
	$ 2,035,968	$ -	$ -	$ 2,035,968

NOTE 10 RETIREMENT PLAN

The Organization sponsors a 403(b) retirement plan (“the Plan”) for its eligible employees. Under the terms of the Plan, employees may make voluntary contributions, subject to Internal Revenue Service limitations. The Organization matches the employee contributions up to a maximum amount of eligible compensation subject to certain eligibility criteria as stated in the Plan document. The Organization recorded contribution expense of approximately $37,600 and $12,700 for the years ended December 31, 2020 and 2019, respectively.

The Organization also has a 457(f) non-qualified deferred compensation retirement plan covering the Chief Executive Officer of the Organization. The 457(f) plan provides for employer contributions at the discretion of the Organization’s Board of Directors. Employer contribution towards the 457(f) plan amount to approximately $36,000 for the year ended December 31, 2020. There were no contributions to the plan during the year ended December 31, 2019.

NOTE 11 OPERATING LEASES

The Organization leases office and building equipment under operating lease agreements that expire at various dates through June 2022. Approximate minimum future payments under these non-cancelable operating leases as of December 31, 2020, are as follows:

Years Ending December 31,	
2021	$ 72,300
2022	36,100
	$ 108,400

Total rental expense under these leases and month-to-month office leases was approximately $92,000 and $154,000 for the years ended December 31, 2020 and 2019, respectively.

NOTE 12 EMPLOYEE RETENTION CREDIT

Subsequent to the year ended December 31, 2020, the Organization applied for the Employee Retention Credit, which is a refundable credit to be applied against certain employment taxes for qualified wages. The Employee Retention Credit is available or entities that fully or partially suspend operations during any calendar quarter in 2020 due to orders from an appropriate authority limiting commerce due to COVID-19 or experience a significant decline in gross receipts during the calendar quarter. As a result, the Organization estimates it will receive a tax benefit of $150,830, which will be applied to the Organization's employment tax liabilities incurred during the period of April 1, 2020 through December 31, 2020. Any amounts that exceed the Organization's employment tax liabilities as of December 31, 2020 have been recognized as other receivable as these amounts will be refunded or used to offset future employment tax liabilities.

NOTE 13 NEW ACCOUNTING PRONOUNCEMENTS

The FASB has issued ASU No. 2016-02, *Leases*. For nonpublic companies, the standard must be adopted for annual reporting periods beginning after December 15, 2021. The standard's core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.