

CONSOLIDATED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2019**

EDUCATE!

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Consolidated Statement of Financial Position, as of December 31, 2020, with Summarized Financial Information for 2019	4
EXHIBIT B - Consolidated Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2020, with Summarized Financial Information for 2019	5
EXHIBIT C - Consolidated Statement of Functional Expenses, for the Year Ended December 31, 2020, with Summarized Financial Information for 2019	6
EXHIBIT D - Consolidated Statement of Cash Flows, for the Year Ended December 31, 2020, with Summarized Financial Information for 2019	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8 - 14



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Educate!
Denver, Colorado

We have audited the accompanying consolidated financial statements of Educate! and subsidiaries (collectively, Educate!), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Educate! as of December 31, 2020, and the consolidated change in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Educate!'s 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



July 29, 2021

EDUCATE!

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,877,766	\$ 4,906,588
Grants receivable	2,906,621	3,688,276
Accounts receivable	18,705	17,998
Prepaid expenses and other current assets	<u>21,194</u>	<u>29,118</u>
Total current assets	<u>9,824,286</u>	<u>8,641,980</u>
OTHER ASSETS		
Grants receivable, net of current portion and discount	<u>1,911,867</u>	<u>770,852</u>
TOTAL ASSETS	<u>\$ 11,736,153</u>	<u>\$ 9,412,832</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Note payable	\$ 218,515	\$ -
Accounts payable and accrued expenses	<u>201,770</u>	<u>160,107</u>
Total liabilities	<u>420,285</u>	<u>160,107</u>
NET ASSETS		
Without donor restrictions	6,756,872	5,472,661
With donor restrictions	<u>4,558,996</u>	<u>3,780,064</u>
Total net assets	<u>11,315,868</u>	<u>9,252,725</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,736,153</u>	<u>\$ 9,412,832</u>

EDUCATE!

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Grants	\$ 1,710,206	\$ 4,686,763	\$ 6,396,969	\$ 8,810,871
Contributions	447,265	-	447,265	819,506
Program fees and other income	12,055	-	12,055	63,947
Interest income	33,926	-	33,926	3,489
Net assets released from donor restrictions	<u>3,907,831</u>	<u>(3,907,831)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>6,111,283</u>	<u>778,932</u>	<u>6,890,215</u>	<u>9,697,813</u>
EXPENSES				
Program Services	<u>4,320,405</u>	<u>-</u>	<u>4,320,405</u>	<u>5,221,478</u>
Supporting Services:				
General and Administrative	186,910	-	186,910	211,518
Fundraising	<u>365,611</u>	<u>-</u>	<u>365,611</u>	<u>347,776</u>
Total supporting services	<u>552,521</u>	<u>-</u>	<u>552,521</u>	<u>559,294</u>
Total expenses	<u>4,872,926</u>	<u>-</u>	<u>4,872,926</u>	<u>5,780,772</u>
Change in net assets before other item	1,238,357	778,932	2,017,289	3,917,041
OTHER ITEM				
Currency conversion gain	<u>45,854</u>	<u>-</u>	<u>45,854</u>	<u>2,982</u>
Change in net assets	1,284,211	778,932	2,063,143	3,920,023
Net assets at beginning of year	<u>5,472,661</u>	<u>3,780,064</u>	<u>9,252,725</u>	<u>5,332,702</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,756,872</u>	<u>\$ 4,558,996</u>	<u>\$ 11,315,868</u>	<u>\$ 9,252,725</u>

EDUCATE!

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	2020				2019	
	Program Services	Supporting Services			Total Expenses	Total Expenses
		General and Administrative	Fundraising	Total Supporting Services		
Salaries, benefits and payroll taxes	\$ 3,197,223	\$ 83,389	\$ 320,566	\$ 403,955	\$ 3,601,178	\$ 3,481,873
Conferences, meetings and travel	255,991	(1,425)	10,309	8,884	264,875	1,252,679
Contract services	213,050	86,761	26,269	113,030	326,080	360,890
Grants	111,954	-	-	-	111,954	129,903
Materials, equipment and supplies	71,439	782	-	782	72,221	101,578
Occupancy expenses	66,665	3,760	3,760	7,520	74,185	133,841
Printing and stationery	35,842	944	-	944	36,786	65,091
Telephone and telecommunications	159,356	(580)	1,795	1,215	160,571	83,575
Technology expenses	69,324	-	-	-	69,324	-
Other expenses	139,561	13,279	388	13,667	153,228	127,348
Bad debt	-	-	2,524	2,524	2,524	43,994
TOTAL	\$ 4,320,405	\$ 186,910	\$ 365,611	\$ 552,521	\$ 4,872,926	\$ 5,780,772

See accompanying notes to consolidated financial statements.

EDUCATE!

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,063,143	\$ 3,920,023
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in discount on non-current grants receivable	60,906	12,085
(Increase) decrease in:		
Grants receivable	(420,266)	(1,531,263)
Accounts receivable	(707)	785
Prepaid expenses and other current assets	7,924	(515)
Increase in:		
Accounts payable and accrued expenses	<u>41,663</u>	<u>67,219</u>
Net cash provided by operating activities	<u>1,752,663</u>	<u>2,468,334</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments on) PPP loan	<u>218,515</u>	<u>-</u>
Net cash provided by financing activities	<u>218,515</u>	<u>-</u>
Net increase in cash and cash equivalents	1,971,178	2,468,334
Cash and cash equivalents at beginning of year	<u>4,906,588</u>	<u>2,438,254</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,877,766</u>	<u>\$ 4,906,588</u>

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Educate! is a non-profit organization, which is incorporated in the State of Colorado and maintains its U.S. headquarters in Denver, Colorado. Educate!'s mission is to develop young leaders and entrepreneurs in Africa. Educate! delivers a practical and relevant model of education to youth in Uganda, Rwanda and Kenya, comprised of a leadership and entrepreneurship course, interactive teaching, intensive mentorship, experience starting an enterprise, and access to out of school networks and resources. Through advocacy and direct service in schools, Educate! is working to get this model to be part of the education system.

Skilled Learning Inc., a U.S. corporation, was incorporated in October 2019 in the state of Delaware and was established as a wholly owned subsidiary of Educate!. Skilled Learning Inc. at the time of formation authorized 10,000,000 shares of capital stock at a par value of \$0.00001 per share, all of which were issued and held by Educate!.

Learning Point Limited, a Kenyan limited liability company, was established in October 2019 as a wholly owned subsidiary of Skilled Learning Inc. Learning Point Limited at the time of formation authorized 1,000 shares of capital stock at a par value of 100 Kenyan Shillings per share, all of which were issued and held by Skilled Learning Inc.

The accounts of Educate! have been consolidated with Skilled Learning Inc. and Learning Point Limited pursuant to the criterion established by FASB ASC 958-810, Not-for-Profit Entities Consolidation. Under FASB ASC 958-810, consolidation is required if a separate not-for-profit organization has control (i.e., major voting interest) and significant economic interest in that other organization. All significant inter-company accounts and transactions have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the 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.

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

- **Net Assets With Donor Restrictions (continued)** - When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year 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 Educate!'s financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and cash equivalents -

Educate! and subsidiaries considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Educate! and subsidiaries maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

As of December 31, 2020, Educate! and subsidiaries had \$25,228 of cash and cash equivalents held at financial institutions in foreign countries. The majority of funds held in foreign countries are uninsured.

Receivables -

Grants and accounts receivable are recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue.

Income taxes -

Educate! is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Educate! is not a private foundation.

Skilled Learning, Inc. is a single member limited liability companies and is considered as a disregarded entity for tax purposes.

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes (continued) -

Learning Point Limited is a Kenyan limited liability company which is subject to income tax in Kenya based on net profits realized during each calendar year.

Uncertain tax positions -

For the year ended December 31, 2020, Educate! and subsidiaries have documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. Educate! and subsidiaries perform an analysis of the individual grant or contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contributions rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants and contracts qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Grant agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. As such, Educate! and subsidiaries recognizes revenue for these conditional contributions when the related barrier has been overcome. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants and contracts treated as contributions, Educate! and subsidiaries had approximately \$620,314 in unrecognized conditional awards as of December 31, 2020.

Grants and contracts classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and record revenue when the performance obligations are met. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant or contract agreements.

Grants and contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant and contract agreements. Funding received in advance of incurring the related expenses is recorded as deferred revenue.

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Foreign currency translation -

The United States dollar (Dollars) is the functional currency for Educate! and subsidiaries operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the historical rate of exchange during the month of the transaction. All assets and liabilities denominated in currencies other than U.S. Dollars currency are translated into Dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position.

Use of estimates -

The preparation of the consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

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

Expenses directly attributed to a specific functional area of Educate! and subsidiaries are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact Educate!'s operations. The overall potential impact is unknown at this time.

New accounting pronouncement (not yet adopted) -

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Educate! and subsidiaries plan to adopt the new ASU at the required implementation date.

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

2. GRANTS RECEIVABLE

As of December 31, 2020, contributors to Educate! have made unconditional written promises to give, of which \$4,931,882, remained due and outstanding. Amounts due beyond one year of the Consolidated Statement of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate of 4.75%.

Grants are due as follows as of December 31, 2020:

Less than one year	\$ 2,906,621
One to five years	<u>2,025,261</u>
Total	4,931,882
Less: Allowance to discount balance to present value	<u>(113,394)</u>
GRANTS RECEIVABLE	<u>\$ 4,818,488</u>

3. LOAN PAYABLE

On May 4, 2020, Educate! received loan proceeds in the amount of \$218,515 under the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months.

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note included the potential to be forgiven by the Small Business Administration in whole or in part. Educate! used the proceeds for purposes consistent with the Paycheck Protection Program. Educate! applied for forgiveness after completing the 24-week period and forgiveness was approved January 13, 2021. Educate! recorded revenue from debt extinguishment during the period that forgiveness was approved.

As part of the EIDL program, Educate! also received a \$10,000 advance which will not require repayment. However, per the guidance issued by the SBA, the \$10,000 amount will be deducted from any forgiveness of the Paycheck Protection Program referred to above.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020:

Subject to expenditure for specified purpose:	
Educate! Rwanda	\$ 616,181
E! Experience	583,406
Educate! Uganda	1,101,087
Learning Point	66,694
Subject to passage of time:	
Time Restricted	<u>2,191,628</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 4,558,996</u>

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Educate! Rwanda	\$ 621,121
E! Experience	981,647
M&E and Scale	2,589
Youth Business Experience	94,155
Learning Point	190,078
Educate! Uganda	865,916
Passage of Time	<u>1,152,325</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 3,907,831</u>

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following at December 31, 2020:

Cash and cash equivalents	\$ 6,877,766
Grants receivable	4,818,488
Accounts receivable	<u>18,705</u>
Subtotal financial assets available within one year	11,714,959
Less: Donor restricted funds, net of \$912,500 time restricted for 2021	<u>(3,646,496)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 8,068,463</u>

Educate! is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Educate! must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Educate!'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2020, Educate! has financial assets equal to approximately 20 months of operating expenses.

6. LEASE COMMITMENTS

Educate! and subsidiaries lease various office spaces in the United States, Uganda, Kenya, and Rwanda with various termination dates through October 1, 2021.

The following is a schedule of the future minimum lease payments:

Year Ending December 31, 2021	<u>\$ 25,101</u>
--------------------------------------	-------------------------

Occupancy expenses, including utilities, for the year ended December 31, 2020 were \$74,185.

EDUCATE!

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020

7. RETIREMENT PLAN

Educate! provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with three or more years of eligible experience. Educate! provides a 100% match of each eligible employee's contribution, up to 3% of covered compensation. Contributions to the plan during the year ended December 31, 2020 totaled \$17,628.

8. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Educate! has evaluated events and transactions for potential recognition or disclosure through July 29, 2021, the date the consolidated financial statements were issued.

In January 2021, Educate! entered into a five-year promissory note agreement in the amount of \$247,000 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.