SCHALL & ASHENFARB Certified Public Accountants, LLC

IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA
MICHAEL L. SCHALL, CPA

CHILDREN'S RIGHTS

PROTECTING KIDS.
PROVIDING HOPE.

Audited Financial Statements

December 31, 2018

307 Fifth Avenue, 15th Floor
New York, New York 10016
Tel: (212) 268-2800 Fax: (212) 268-2805
www.schallandashenfarb.com

SCHALL & ASHENFARB Certified Public Accountants, LLC

IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA
MICHAEL L. SCHALL, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Children's Rights, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Children's Rights, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the 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.

Auditor's 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 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 Organization'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 Organization'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.

307 Fifth Avenue, 15th Floor
New York, New York 10016
Tel: (212) 268-2800 Fax: (212) 268-2805
www.schallandashenfarb.com

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 Children's Rights, Inc. as of December 31, 2018, and the change 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 2 to the financial statements, the Organization adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Report of Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

May 22, 2019

CHILDREN'S RIGHTS, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018
(With comparative totals as of December 31, 2017)

	12/31/18	12/31/17
Assets		
Cash and cash equivalents	$1,985,154	$1,213,995
Investments (Note 3)	5,600	119,591
Attorneys' fees receivable	195,993	624,720
Contributions receivable, net of allowance (Note 4)	509,234	245,950
Prepaid expenses and other current assets	65,553	57,545
Fixed assets, net (Note 5)	173,610	218,008
Security deposit (Note 6)	168,510	168,510
Total assets	$3,103,654	$2,648,319
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$630,103	$507,297
Deferred rent	163,127	153,252
Loans payable (Note 6)	0	100,000
Total liabilities	793,230	760,549
Commitments (Note 6)		
Net assets:		
Without donor restrictions:		
Undesignated	1,893,476	1,521,908
Board designated reserve fund	0	198,425
Total net assets without donor restrictions	1,893,476	1,720,333
With donor restrictions (Note 7)	416,948	167,437
Total net assets	2,310,424	1,887,770
Total liabilities and net assets	$3,103,654	$2,648,319

The attached notes and auditor's report are an integral part of these financial statements.

CHILDREN'S RIGHTS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative totals for the year ended December 31, 2017)

	Without Donor Restrictions					
	Undesignated	Board Designated Reserve Fund	Total Unrestricted	With Donor Restrictions	Total 12/31/18	Total 12/31/17
Public support and revenue:						
Attorneys' fees income	$3,371,238		$3,371,238		$3,371,238	$735,090
Contributions	693,404		693,404	$775,000	1,468,404	901,771
Special event income (net of expenses with a direct benefit to donors) (Note 11)	1,200,457		1,200,457		1,200,457	1,001,507
Rental income and other income	12,293		12,293		12,293	11,034
In-kind public service announcements			0		0	3,255,915
In-kind donations	29,550		29,550		29,550	11,950
Investment income (Note 3)	25,237	$51	25,288		25,288	18,816
Net assets released from restrictions (Note 7)	525,489		525,489	(525,489)	0	0
Total public support and revenue	5,857,668	51	5,857,719	249,511	6,107,230	5,936,083
Expenses:						
Program services:						
Program services - general	4,059,437		4,059,437		4,059,437	3,774,399
Program services - in-kind			0		0	3,255,915
Total program services	4,059,437	0	4,059,437	0	4,059,437	7,030,314
Management and general	541,089		541,089		541,089	608,238
Fundraising	1,084,050		1,084,050		1,084,050	790,669
Total expenses	5,684,576	0	5,684,576	0	5,684,576	8,429,221
Change in net assets	173,092	51	173,143	249,511	422,654	(2,493,138)
Net assets - beginning of year	1,521,908	198,425	1,720,333	167,437	1,887,770	4,380,908
Net transfer	198,476	(198,476)	0		0	0
Net assets - end of year	$1,893,476	$0	$1,893,476	$416,948	$2,310,424	$1,887,770

The attached notes and auditor's report are an integral part of these financial statements.

CHILDREN'S RIGHTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative totals for the year ended December 31, 2017)

	Program Services	Management and General	Fundraising	Total Expenses 12/31/18	Total Expenses 12/31/17*
Salaries	$2,098,664	$279,822	$419,733	$2,798,219	$2,770,281
Employee benefits and taxes	558,029	74,404	111,606	744,039	704,881
Total salaries and related expenses	2,656,693	354,226	531,339	3,542,258	3,475,162
Professional fees (including in-kind of $27,650)	141,627	67,150	199,579	408,356	296,923
Litigation costs	263,154			263,154	131,510
Research and legal library	73,863	1,500	794	76,157	71,916
Events			306,803	306,803	165,434
Travel	197,600	144	12,355	210,099	195,085
Occupancy (including in-kind of $1,900)	425,924	30,161	65,391	521,476	509,437
Computer support and maintenance	113,720	1,329	22,000	137,049	152,955
Office supplies	120,956	7,270	22,311	150,537	136,166
Bad debt expense		55,116		55,116	25,147
Insurance	9,317	9,687		19,004	23,164
Training	9,430		11,202	20,632	9,534
Licenses and fees	12,354	11,476	19,127	42,957	38,910
Depreciation and amortization	34,799	3,030	6,569	44,398	43,534
In-kind public service announcements (Note 2i)				0	3,255,915
Total expenses before direct event expenses netted with revenue	4,059,437	541,089	1,197,470	5,797,996	8,530,792
Less: direct special event expenses netted with revenue			(113,420)	(113,420)	(101,571)
Total expenses	$4,059,437	$541,089	$1,084,050	$5,684,576	$8,429,221

*Reclassified for comparative purposes

The attached notes and auditor's report are an integral part of these financial statements.

CHILDREN'S RIGHTS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative totals for the year ended December 31, 2017)

	12/31/18	12/31/17
Cash flows from operating activities:		
Change in net assets	$422,654	($2,493,138)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation and amortization	44,398	43,534
Net realized gain on investments	(702)	(12,055)
Unrealized (gain)/loss on investments	(29)	6,145
Changes in assets and liabilities:		
Attorneys' fees receivable	428,727	254,128
Contributions receivable	(263,284)	(55,979)
Prepaid expenses and other current assets	(8,008)	(1,771)
Security deposit	0	0
Accounts payable and accrued expenses	122,806	33,867
Deferred rent	9,875	9,875
Total adjustments	333,783	277,744
Net cash provided by/(used for) operating activities	756,437	(2,215,394)
Cash flows from investing activities:		
Purchases of fixed assets	0	(23,168)
Purchases of investments	0	(5,914)
Proceeds from sales of investments	114,722	1,374,140
Net cash provided by investing activities	114,722	1,345,058
Cash flows from financing activities:		
Proceeds from loan payable	500,000	100,000
Payment of loan payable	(600,000)	0
Net cash (used for)/provided by financing activities	(100,000)	100,000
Net increase/(decrease) in cash and cash equivalents	771,159	(770,336)
Cash and cash equivalents - beginning of year	1,213,995	1,984,331
Cash and cash equivalents - end of year	$1,985,154	$1,213,995
Supplemental disclosure of cash flow information:		
Interest and taxes paid	$0	$0

The attached notes and auditor's report are an integral part of these financial statements.

Note 1 - Nature of Entity

Children's Rights, Inc. (the "Organization") is a national advocacy group that holds governments accountable for keeping kids safe and healthy in child welfare, juvenile justice, education and healthcare systems. Children's Rights, Inc. is a not-for-profit corporation founded in 1994 and has been notified by the Internal Revenue Service that they are exempt from Federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The Organization has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

Effective January 1, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 8).

Implementation of ASU 2016-14 did not require any reclassification or restatement of any opening balances related to the periods presented.

b. Basis of Presentation

The Organization reports information regarding its financial position and activity according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represent those resources for which there are no restrictions by donors as to their use. The Organization has chosen to present its net assets without donor restrictions in two distinct categories: undesignated and board designated reserve fund.

- *Net Assets with Donor Restrictions* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Cash and Cash Equivalents
All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying statement of cash flows.

d. Investments and Investment Income
Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Donated securities are recorded at fair value on the date of the gift. Realized and unrealized gains and losses are included in income on the statement of activities.

e. Fixed Assets
Furniture and equipment are recorded at cost or at fair value at the date of donation. Leasehold improvements that significantly add benefit to the property and have a useful life of greater than one year are capitalized at cost. Routine maintenance is expensed as incurred.

Furniture, equipment and leasehold improvements are depreciated or amortized using the straight-line method over the estimated useful life of the asset (between three to seven years) or the remaining life of the lease.

f. Deferred Rent
Rent expense is recognized evenly over the life of the lease using the straight-line basis. Rent expense recognized in excess of cash payments, primarily due to free rent received at the beginning of the lease, is reflected as deferred rent. In future years, when payments exceed the amount of rent recognized as expense, the deferred rent will be reduced until it is zero at the end of the lease.

g. Attorneys' Fees Income
Legal fees and expenses may be awarded in certain court cases. The amounts of these awards are the results of court determinations and appellate decisions, or of negotiations between the parties to the actions. Management anticipates that the Organization will be the recipient of legal awards in the future, but it is often unable to determine the amounts receivable with any degree of accuracy. Accordingly, the accounting policy is to accrue an award only when, in its judgment, the amount appears certain of collection.

h. Contributions
Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. 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. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Pledges are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, management has established a reserve for uncollectable pledges that totaled $57,500 and $75,000 for the years ended December 31, 2018 and 2017, respectively.

Contributions received with conditions are recorded as liabilities and are recognized as income at the time the condition has been met.

i. <u>In-Kind Donations</u>

The Organization recognizes contributions of services that create or enhance non-financial assets or require specialized skills that are provided by those possessing those skills and would have been paid if not contributed. In 2018, the Organization received donated office space for a lawyer based out of Atlanta, Georgia totaling $1,900 and pro bono legal services totaling $27,650.

In 2017, the Organization received a donated public service announcement that raised awareness of the foster care system. The PSA aired across the country for part of 2017. The Organization was involved in determining and managing the message of the public service announcement; therefore, the donated PSA was recognized as a contribution, at the estimated fair value, which was $3,255,915. The Organization also received a donation of $11,950 in computer equipment in 2017.

j. <u>Comparative Financial Information</u>

The 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 accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

k. <u>Functional Allocation of Expenses</u>

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

The following costs are allocated based on time and effort:

- Salaries
- Employee benefits and taxes

The following costs are allocated based on the number of people at the New York office:

- Occupancy
- Computer support and maintenance
- Office supplies
- Depreciation

All other costs were charged directly based on goods and services received.

l. Management Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

m. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2015 and later are subject to examination by applicable taxing authorities.

n. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through May 22, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or further disclosure in the financial statements.

o. New Accounting Pronouncement

On June 21, 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the December 31, 2019 year, provides guidance on whether a receipt from a third-party resource provider should be accounted for as a contribution (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions.

In addition, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the December 31, 2019 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

Lastly, FASB issued ASU No. 2016-02, *Leases.* The ASU which becomes effective for the December 31, 2020 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy that gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments:

	December 31, 2018		
	Level 1	Level 2	Total
U.S. Mutual funds	$2,754	$0	$2,754
Certificates of deposit	0	2,846	2,846
	$2,754	$2,846	$5,600

	December 31, 2017		
	Level 1	Level 2	Total
U.S. Treasury notes	$99,971	$0	$99,971
U.S. Bond	0	14,992	14,992
U.S. Mutual funds	2,751	0	2,751
Certificates of deposit	0	1,877	1,877
	$102,722	$16,869	$119,591

The following summarizes investment income:

	12/31/18	12/31/17
Interest and dividends income	$24,557	$12,906
Realized gain on investments	702	12,055
Unrealized gain/(loss) on investments	29	(6,145)
	$25,288	$18,816

Level 1 securities are valued at the closing price reported on the active market they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Note 4 - Contributions Receivable

Contributions receivable are due in the following periods:

Year ending:	December 31, 2019	$414,834
	December 31, 2020	135,000
	December 31, 2021	20,000
Total		569,834
Less: present value discount (1%)		(3,100)
Contributions receivable, net		566,734
Less: Allowance for doubtful accounts		(57,500)
Total		$509,234

Note 5 - Fixed Assets

Fixed assets consist of:

	12/31/18	12/31/17
Furniture and equipment	$223,903	$223,903
Leasehold improvements	97,742	97,742
	321,645	321,645
Less: accumulated depreciation and amortization	(148,035)	(103,637)
Net fixed assets	$173,610	$218,008

Note 6 - Commitments

a) The Organization has a non-cancelable lease agreement for office space which expires in 2026. Under terms of that lease, an irrevocable standby letter of credit, which represents four months' rent, was established. A certificate of deposit account was opened in the amount of $168,510 for this purpose. The lease provides a provision for a free fixed rent allowance of $151,313 for the first three and a half months of the lease.

Future minimum rental payments under the lease are as follows:

Year ending:	December 31, 2019	$505,530
	December 31, 2020	505,530
	December 31, 2021	531,743
	December 31, 2022	550,466
	December 31, 2023	550,466
	Thereafter	1,513,782
Total		$4,157,517

b) During 2017 and 2016, the Organization received grants for $15,000 and $10,000, respectively, to be used for expert witness fees. Should the Organization receive recovery of these fees, it will be required to reimburse the grantee, plus interest at an annual rate of 7%. As the Organization cannot currently determine the probability of a recovery, no liability has been reflected as of December 31, 2018 and 2017.

c) During 2017, the Organization entered into a line of credit agreement with RSF Social Finance with a limit of $200,000 at a variable interest rate set at the RSF prime rate, which was 4.25% during 2017. The balance due on the line of credit as of December 31, 2017 was $100,000, all of which was repaid during 2018. The line of credit was closed in March 2019.

Note 7 - Net Assets with Donor Restrictions

The following schedule summarizes the activity of net assets with donor restrictions:

	December 31, 2018			
	Balance 1/1/18	Contributions	Released from Restrictions	Balance 12/31/18
Program restriction:				
New Computer Equipment	$5,000	$0	($5,000)	$0
Case Campaigns	112,437	630,000	(415,489)	326,948
Total program restrictions	117,437	630,000	(420,489)	326,948
Time restrictions	50,000	145,000	(105,000)	90,000
Total	$167,437	$775,000	($525,489)	$416,948

	December 31, 2017			
	Balance 1/1/17	Contributions	Released from Restrictions	Balance 12/31/17
Program restriction:				
401(k) Contributions	$31,427	$0	($31,427)	$0
New Computer Equipment	0	5,000	0	5,000
Case Campaigns	0	180,000	(67,563)	112,437
Total program restrictions	31,427	185,000	(98,990)	117,437
Time restrictions	15,000	50,000	(15,000)	50,000
Total	$46,427	$235,000	($113,990)	$167,437

Note 8 - Availability and Liquidity

Financial assets at year-end:	
Cash and cash equivalents	$1,985,154
Investments	5,600
Contributions receivable due in less than one year	414,834
Total financial assets	2,405,588
Less amounts not available for general expenditures:	
Donor restricted contributions – purpose restrictions	(226,948)
Financial assets available to meet cash needs for general expenditures within one year	$2,178,640

Earned revenue in the form of Attorneys' fee awards represents a substantial portion of the Organization's overall revenue. These awards are concentrated and unpredictable as to timing. To manage cash needs over the long-term, the Organization maintains a reserve policy that requires deposits into a fund when gross revenues exceed certain thresholds. The Organization has typically relied on the reserve fund to meet cash needs and in 2019 accessed program-related investment credit lines from donors.

Note 9 - Pension Plan

Employees that have at least six months of service are eligible to participate in an employer sponsored defined-contribution 401(k) pension plan. Effective January 1, 2015, the plan instituted a safe harbor match feature where the Organization matches 100% of the first 3% contributed by the employee and 50% on the next 2% contributed. Employer contributions to the plan amounted to $89,000 and $85,000 for the years ended December 31, 2018 and 2017, respectively.

Note 10 - Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. Accounts are insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Investments are subject to market value fluctuations and principal is not guaranteed. However, management believes the investment policy is prudent for the long-term welfare of the Organization. At year end and at various times during the year, the Organization had material uninsured balances; however, no losses have been suffered due to the failure of any of these institutions.

Note 11 - Special Events

A summary of the annual benefit is as follows:

	12/31/18	12/31/17
Event income	$1,313,877	$1,103,078
Less: expenses with a direct benefit to donor	(113,420)	(101,571)
	1,200,457	1,001,507
Less: other event expenses	(79,160)	(63,863)
Total	$1,121,297	$937,644

Note 12 - Subsequent Events

a) On March 21, 2019, the Organization obtained a $500,000 Program Related Investment, a related party transaction approved in accordance with the conflict of interest policy. Repayment of the funds to occur on the earlier of thirty days after the Organization's receipt of settlement funds from future attorneys' fees or September 15, 2020. The loan is to be repaid with interest at an annual rate of 5%.

b) On March 22, 2019, the Organization obtained a $500,000 Promissory Note. Repayment of the funds to occur on by March 31, 2020. The loan is to be repaid with interest at an annual rate of 5%.