

BBB WISE GIVING ALLIANCE

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020



BBB Wise Giving Alliance

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
BBB Wise Giving Alliance
Washington D.C., 20005

Opinion

We have audited the accompanying financial statements of BBB Wise Giving Alliance (BBB WGA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the BBB WGA as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BBB WGA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BBB WGA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BBB WGA 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BBB WGA s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter – 2020 Financial Statements

The financial statements of BBB WGA, as of and for the year ended December 31, 2020, were audited by predecessor auditors whose report, dated January 27, 2022, expressed an unmodified opinion on those financial statements.

UHY LLP

Columbia, Maryland
November 18, 2022

BBB WISE GIVING ALLIANCE
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,598,017	\$ 1,556,761
Accounts receivable	39,600	41,135
Prepaid expenses	<u>27,456</u>	<u>25,480</u>
Total current assets	<u>1,665,073</u>	<u>1,623,376</u>
NON-CURRENT ASSETS		
Equipment and software, net	62,036	109,802
Security Deposits	<u>8,170</u>	<u>8,170</u>
Total non-current assets	<u>70,206</u>	<u>117,972</u>
TOTAL ASSETS	<u><u>\$ 1,735,279</u></u>	<u><u>\$ 1,741,348</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 75,030	\$ 45,116
Accrued expenses	30,000	60,919
Deferred revenue	<u>807,767</u>	<u>705,888</u>
Total liabilities	912,797	811,923
NET ASSETS		
Without donor restrictions:	<u>822,482</u>	<u>929,425</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,735,279</u></u>	<u><u>\$ 1,741,348</u></u>

BBB WISE GIVING ALLIANCE
STATEMENTS OF ACTIVITIES
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUE		
Charity seal license fees	\$ 1,877,416	\$ 1,783,648
Contributions and grants	229,967	178,224
Grant - PPP Loan	-	195,055
Publications	11,706	9,980
Interest Income	153	90
	<u>2,119,242</u>	<u>2,166,997</u>
Total support and revenue		
EXPENSES		
Program Services:		
Charity reporting services	1,814,129	1,710,422
Other programs	107,175	143,482
	<u>1,921,304</u>	<u>1,853,904</u>
Total program services		
Supporting Services:		
Management and general	245,748	229,484
Fundraising	59,133	64,524
	<u>304,881</u>	<u>294,008</u>
Total supporting services		
	<u>2,226,185</u>	<u>2,147,912</u>
Total expenses		
Change in Net Assets	(106,943)	19,085
Net Assets Without Donor Restrictions - Beginning	<u>929,425</u>	<u>910,340</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 822,482</u>	<u>\$ 929,425</u>

BBB WISE GIVING ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>			<u>Total</u>
	<u>Charity Reporting Services</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and benefits	\$ 1,394,250	\$ 70,675	\$ 1,464,925	\$ 95,054	\$ 31,028	\$ 126,082	\$ 1,591,007
Bad debt	-	-	-	2,618	-	2,618	2,618
Conferences and events	468	-	468	969	-	969	1,437
Depreciation and amortization	41,859	2,122	43,981	2,854	931	3,785	47,766
Direct mail	-	-	-	-	17,183	17,183	17,183
Dues and subscriptions	36,504	2,634	39,138	12,533	2,727	15,260	54,398
Insurance	12,144	615	12,759	828	270	1,098	13,857
Information technology	98,237	1,986	100,223	2,731	485	3,216	103,439
Marketing	67,390	14,222	81,612	222	114	336	81,948
Occupancy	25,530	5,473	31,003	19,036	646	19,682	50,685
Office expenses	12,399	751	13,150	29,178	5,578	34,756	47,906
Professional services	70,749	8,562	79,311	72,001	111	72,112	151,423
State registration fees	-	-	-	7,541	-	7,541	7,541
Storage	4,521	135	4,656	183	60	243	4,899
Wise giving guide	50,078	-	50,078	-	-	-	50,078
Total expenses	\$1,814,129	\$ 107,175	\$1,921,304	\$ 245,748	\$ 59,133	\$ 304,881	\$ 2,226,185

See notes to financial statements.

BBB WISE GIVING ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	PROGRAM SERVICES			SUPPORTING SERVICES			Total
	Charity Reporting Services	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 1,352,236	\$ 31,141	\$ 1,383,377	\$ 58,252	\$ 27,340	\$ 85,592	\$ 1,468,969
Advertising and promotion	517	130	647	13	-	13	660
Conferences and events	1,183	957	2,140	460	-	460	2,600
Depreciation and amortization	35,909	11,768	47,677	2,042	975	3,017	50,694
Direct mail	-	-	-	-	30,741	30,741	30,741
Dues and subscriptions	17,715	1,873	19,588	10,888	224	11,112	30,700
Insurance	-	13,439	13,439	-	-	-	13,439
Information technology	71,206	1,587	72,793	47,135	1,440	48,575	121,368
Marketing	39,117	72,781	111,898	-	658	658	112,556
Occupancy	46,251	1,066	47,317	2,027	967	2,994	50,311
Office expenses	18,514	670	19,184	17,717	1,372	19,089	38,273
Professional services	72,666	6,802	79,468	82,615	781	83,396	162,864
State registration fees	-	-	-	8,309	-	8,309	8,309
Storage	5,237	1,268	6,505	26	26	52	6,557
Travel	414	-	414	-	-	-	414
Wise giving guide	49,457	-	49,457	-	-	-	49,457
Total expenses	\$1,710,422	\$ 143,482	\$1,853,904	\$ 229,484	\$ 64,524	\$ 294,008	\$ 2,147,912

See notes to financial statements.

BBB WISE GIVING ALLIANCE
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (106,943)	\$ 19,085
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	47,766	50,694
Non-cash PPP forgiveness reported as Grant	-	(195,055)
Change in operating assets:		
Accounts receivable	1,535	28,518
Prepaid expenses	(1,976)	(1,681)
Change in operating liabilities:		
Accounts payable	29,914	73,236
Accrued expenses	(30,919)	
Contract liabilities	101,879	68,327
	<u>41,256</u>	<u>43,124</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Purchases of property and equipment	-	(82,356)
Cash Flows from Financing Activities		
Proceeds from Paycheck Protection Program	-	195,055
	<u>41,256</u>	<u>155,823</u>
Net Increase in Cash and Cash Equivalents		
	41,256	155,823
Cash and Cash Equivalents - Beginning	<u>1,556,761</u>	<u>1,400,938</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,598,017</u>	<u>\$ 1,556,761</u>

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 1 - PURPOSE OF ORGANIZATION

BBB Wise Giving Alliance (BBB WGA) was incorporated under the laws of the District of Columbia on November 14, 1975, and is located in Arlington, Virginia. BBB WGA's mission is strengthening public confidence in charities by promoting wise giving and trustworthy charities practices. BBB WGA completes rigorous evaluations of publicly soliciting charities in relation to 20 *BBB Standards for Charity Accountability* that address charity governance, results reporting, finances, donor privacy, appeal accuracy and other issues. There is no charge to charities to be the subject of a BBB Charity Report. These reports are available to the public for free on the BBB WGA website at Give.org.

Charities that meet all 20 BBB Charity Standards are identified as BBB Accredited Charities. BBB Accredited Charities have the option of licensing a BBB Charity Seal for a fee. The BBB Accredited Charity Seal can be displayed on the charity's website and fundraising materials. Charity evaluations are updated every two years. Any BBB Charity Seal holder that fails to meet the BBB Charity Standards is terminated from the BBB Charity Seal program.

Other Programs include: the Advancing Collaboration project which encourages charities to seek out new partnerships as a way to grow larger audiences and share risk, the GiveSafely.io donation platform for BBB Accredited Charities which seeks to protect donors' personal data by the use of blockchain and enable donors to donate cryptocurrency, and the Heart of Giving Podcast which involves a series of detailed discussions with charity sector leaders on the motivations behind why people give and other charity-related topics.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

Accounts Receivables

Accounts receivable consists primarily of amounts owed from licensees for BBB Charity Seal revenue. Accounts receivable are presented at the net realizable amount due. BBB WGA management periodically reviews the status of all accounts receivable balances for collectability. Receivables that are deemed to be uncollectable are typically reserved in an allowance for doubtful accounts. All receivables are considered fully collectible and no allowance has been recorded as of December 31, 2021 or 2020.

Equipment and Software

Equipment and software are stated at cost. Individual purchases and improvements of \$5,000 or more, which prolong the useful life of an asset, are capitalized, while expenditures for small items, maintenance, and minor repairs are expensed as incurred. When assets are sold or otherwise disposed

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of, the cost of the asset and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is included in the statements of activities. Depreciation and amortization are calculated using the straight-line method over the assets useful lives ranging from three-to-five years.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or grantor) imposed restrictions. Their use may be limited in other respects, such as by Board designation.

Net assets with donor restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. BBB WGA reports contributions restricted by donors 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. When a restriction expires, 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. 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. BBB WGA did not have any net assets with donor restrictions as of December 31, 2021 or 2020.

Revenue Recognition

Revenue includes line items that have performance obligations such as seal licensing fees and publications and line items representing support such as contributions and grants.

Charity Seal License Fees

Charity seal license fees are reported at the amount that reflects the consideration BBB WGA expects to receive in exchange for the services provided. Charity seal license fees are based on anniversary date and exclusive benefits are provided continuously over the course of the license period. Revenue is recognized on a straight-line basis over the one-year term. Charity Seal license fees received in advance of the license period are reported as deferred revenue.

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

Unconditional contributions and grants are recognized when received. Conditional promises to give, that is, those contributions or grants with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Publications

BBB WGA produces magazines three times per year. Publications are reported at the amount that reflects the consideration BBB WGA expects to receive in exchange of the product provided. These publications are recognized as revenue at a point in time when the sale occurs.

Functional Expenses

The costs of providing various programs and supporting services are summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of time records and other support, or by estimates made by management. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of BBB WGA. Those expenses include professional services, information technology services, marketing services, depreciation and occupancy expenses. All such costs are allocated based on estimates of time and specific utilization.

Advertising

Advertising costs are expensed when incurred. BBB WGA has no significant nondirect-response advertising. Advertising expense for the years ended December 31, 2021 and 2020 were \$-0- and \$659, respectively.

Income Taxes

BBB WGA is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the years ended December 31, 2021 or 2020 since BBB WGA had no taxable income from unrelated business activities.

The income tax positions taken by BBB WGA for any years open under the various statutes of limitations are that BBB WGA continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. BBB WGA believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of BBB WGA's federal or state income tax returns are currently under examination.

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, and those differences could be material.

New Accounting Pronouncements Not Yet Adopted

ASU 2016-02, *Leases* (Topic 842). This ASU changes the accounting treatment for operating leases by recognizing both a lease asset and a lease liability, at the present value of the lease payments, in the statement of financial position. Additional disclosures regarding key information about the leasing arrangements will also be required. FASB also issued ASU 2020-05 that deferred the effective date to fiscal years beginning after December 15, 2021. For BBB WGA the ASU is effective for the year ended December 31, 2022.

ASU No. 2020-07, (Topic 958): *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires not-for-profits (NFPs) to present contributed nonfinancial assets (commonly referred to as gifts-in-kind) as a separate line item in the statement activities, apart from contributions of cash and other financial assets and disclose the following: [1] A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets; [2] For each category of contributed nonfinancial assets recognized, qualitative information about whether nonfinancial assets were monetized or utilized; the NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; donor-imposed restrictions associated with contributed nonfinancial assets; and valuation techniques, inputs, and the principal market used for determining fair value. Amendments in this standard are effective for fiscal years beginning after June 15, 2021. The ASU must be applied retrospectively. Early adoption is permitted. For BBB WGA the ASU is effective for the year ended December 31, 2022.

BBB WGA plans to adopt the new ASUs at the required implementation dates.

Reclassifications

Certain prior year amounts have been reclassified in the financial statements to conform to the current year presentation. The reclassifications had no impact on previously reported net assets and changes in net assets.

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 3 - EQUIPMENT AND SOFTWARE

The cost of equipment and software and the related accumulated depreciation and amortization consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Equipment and software	\$ 480,055	\$ 480,055
Less, accumulated depreciation and amortization	<u>(418,019)</u>	<u>(370,253)</u>
Net value of equipment and software	<u>\$ 62,036</u>	<u>\$ 109,802</u>

Depreciation and amortization expense totaled \$47,766 and \$50,694 for the years ended December 31, 2021 and 2020, respectively.

NOTE 4 - BENEFIT PLANS

Defined contribution retirement plan

BBB WGA sponsors a 401(k) defined contribution retirement plan that covers all employees who completed six months of service. Employees are immediately vested in deferred salary and employer matching contributions. Employer matching contributions included in the statements of activities total \$92,753 and \$84,393 for the years ended December 31, 2021 and 2020, respectively.

Deferred Compensation Plan

Effective June 1, 2021, BBB WGA adopted a Section 457(t) deferred compensation plan for certain members of executive management, as designated by the Board. The Board also specifies the contribution types, levels and vesting terms that apply for the individual plan participants. The plan was amended and restated effective December 8, 2021, to permit participant-directed investment of account balances and make certain other changes. BBB WGA’s contribution to the Section 457(t) Plan was \$30,000 for the year ended December 31, 2021 and is included with benefits on the statements of functional expenses.

NOTE 5 - OPERATING LEASE

Effective January 1, 2019, BBB WGA entered into a non-cancellable operating lease for office space in Arlington, Virginia. The lease auto-renews every January unless otherwise terminated. Rent expense for the years ended December 31, 2021 and 2020 was \$50,685 and \$50,311, respectively.

On December 9, 2021, BBB WGA renegotiated the operating lease for its office space by reducing the monthly rent from \$4,590 (paid during 2021) to \$4,085 and increasing the term to two years. The lease agreement is effective January 1, 2022 and remains in effect through December 31, 2023.

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 6 – CONCENTRATIONS, RISKS AND UNCERTANTIES

Credit Risk

BBB WGA maintains its cash balances at a financial institution and at times these balances may exceed the federal insured limits. BBB WGA has not experienced and losses with respect to its bank balances in excess of government provided insurance and management believes there is no significant concentration of credit risk as a result of maintaining these accounts. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Commitments

In the course of normal business operations, BBB WGA is faced with routine legal matters. In the opinion of management, all matters are adequately covered by insurance, or the costs have been accrued.

Covid-19 Impact

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus disease (“COVID-19”) a pandemic, which is ongoing as of the date the financial statements. The extent of COVID-19’s effect on the BBB WGA’s operational and financial performance will depend on future developments, including the duration, spread, and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, it is not possible to ascertain the overall impact of COVID-19 on BBB WGA’s finances. However, as the pandemic continues as a severe worldwide health crisis, the disease could have a material adverse effect on BBB WGA’s activities, results of operations, financial condition, and cash flow.

NOTE 7 - LIQUIDITY

BBB WGA’s financial assets available for general expenditures consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,598,017	\$ 1,556,761
Accounts receivable	<u>39,600</u>	<u>41,135</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 1,637,617</u>	<u>\$ 1,597,896</u>

As part of BBB WGA's liquidity management, BBB WGA has a policy to structure its financial assets to be available and liquid as its obligations become due. BBB WGA has no debt on the statements of financial position as of December 31, 2021 and 2020 and typically pays its obligations using cash. As of December 31, 2021 and 2020, BBB WGA had financial assets equal to approximately nine months of operating expenses.

BBB WISE GIVING ALLIANCE
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE 8 - PPP LOAN

During the year ended December 31, 2020, BBB WGA received \$195,055 under the Paycheck Protection Program (the "PPP") of the Coronavirus Aid Relief and Electronic Security (CARES) Act, which was enacted March 27, 2020. The PPP Loans were evidenced by a promissory note in favor of a financial institution (the Lender), which bore interest at the rate of 1.00% per annum. No payments of principal or interest were due under the note until the date on which the amount of loan forgiveness (if any) under the CARES Act, which could be up to 10 months after the end of the related notes covered period (which is defined as 24 weeks after the date of the loan) (the "Deferral Period"). The note could be prepaid at any time prior to maturity with no prepayment penalties.

Funds from the PPP Loans were to be used only for payroll and related costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations that were incurred prior to February 15, 2020 (the "Qualifying Expenses"). Under the terms of the PPP Loans, certain amounts thereunder could be forgiven if they were used for Qualifying Expenses as described in and in compliance with the CARES Act.

During the year ended December 31, 2020, BBB WGA received notice from the lender and the Small Business Administration that their PPP loan in the amount of \$195,055 had been fully forgiven. As a result, in accordance with U.S. GAAP, BBB WGA wrote off the PPP loan liability and recognized noncash grant income totaling \$195,055.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 18, 2022 the date the financial statements were available to be issued.