

PROJECT WORTHMORE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT



**PROJECT
WORTHMORE**

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

December 22, 2025

Independent Auditor's Report

Board of Directors
Project Worthmore
Aurora, Colorado

Opinion

We have audited the accompanying financial statements of **Project Worthmore**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2024, 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 Project Worthmore as of December 31, 2024, 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 Project Worthmore 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 Project Worthmore'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, including omissions, 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 Project Worthmore'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 Project Worthmore'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.

Report on Summarized Comparative Information

We have previously audited Project Worthmore's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 4, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

PROJECT WORTHMORE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	<u>2024</u>	<u>Restated 2023</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,612,437	\$ 1,184,986
Donations, contracts, and other receivables (Note 4)	1,151,082	623,139
Prepaid expenses	3,526	5,000
Property and equipment (Note 5)	4,585,642	4,028,891
Total assets	<u>\$ 7,352,687</u>	<u>\$ 5,842,016</u>
<u>Liabilities and net assets</u>		
Accounts payable	\$ 320,343	\$ 111,041
Payroll liabilities	22,963	78,664
Project related investment (PRI) loan (Note 6)	1,193,582	1,465,000
Mortgage payable (Note 7)	574,822	591,277
Deferred revenue	-	15,000
Liabilities	<u>2,111,710</u>	<u>2,260,982</u>
Net assets		
Without donor restrictions	3,700,823	3,581,034
With donor restrictions (Note 8)	1,540,154	-
Total net assets	<u>5,240,977</u>	<u>3,581,034</u>
Total liabilities and net assets	<u>\$ 7,352,687</u>	<u>\$ 5,842,016</u>

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024			Restated 2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Dental practice	2,468,697	-	2,468,697	1,516,696
Grants and foundations	352,500	1,353,736	1,706,236	1,028,461
Government grants and contracts	826,791	-	826,791	396,930
Individual and board donations	564,557	-	564,557	556,244
Special event income, net	56,151	330,154	386,305	344,344
Less: special event expenses	(56,151)	-	(56,151)	(71,860)
In-kind contributions (Note 9)	157,074	-	157,074	107,691
Rental income	66,245	-	66,245	46,827
Merchandise Sales	33,642	-	33,642	34,284
Employee retention credit (Note 10)	-	-	-	143,688
Gain(Loss) on disposal of assets	-	-	-	60,793
Other income	32,589	-	32,589	27,157
Net assets released from restrictions (Note 11)	143,736	(143,736)	-	-
Total revenue and other support	<u>4,645,831</u>	<u>1,540,154</u>	<u>6,185,985</u>	<u>4,191,255</u>
<u>Expense</u>				
Programs				
Dental clinic	2,395,149	-	2,395,149	1,797,181
Other programs	1,267,736	-	1,267,736	1,143,691
Supporting services				
Management and general	750,165	-	750,165	613,525
Fundraising	112,992	-	112,992	221,879
Total expense	<u>4,526,042</u>	<u>-</u>	<u>4,526,042</u>	<u>3,776,276</u>
Change in net assets	119,789	1,540,154	1,659,943	414,979
Net assets, beginning of year	3,581,034	-	3,581,034	3,166,055
Net assets, end of year	<u>\$ 3,700,823</u>	<u>\$ 1,540,154</u>	<u>\$ 5,240,977</u>	<u>\$ 3,581,034</u>

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024					2023	
	Program			Supporting Services		Total	Total
	Dental Clinic	Other Programs	Total Program Expenses	Management and General	Fund- raising		
Salaries, payroll taxes and benefits	\$ 1,769,874	\$ 772,308	\$ 2,542,182	\$ 611,411	\$ 64,359	\$ 3,217,952	\$ 2,628,272
Supplies	312,602	1,949	314,551	1,575	173	316,299	168,316
Food share program	-	195,432	195,432	-	-	195,432	149,919
Utilities	92,455	43,263	135,718	34,954	3,836	174,508	69,184
Technology	12,604	19,880	32,484	3,559	12,308	48,351	32,751
Interest expense	25,407	11,889	37,296	9,605	1,054	47,955	62,696
Insurance	25,338	11,857	37,195	9,580	1,051	47,826	40,812
Delaney farm supplies	-	45,326	45,326	-	-	45,326	37,699
Understanding Neighbors	-	37,872	37,872	-	-	37,872	32,697
Equipment	-	12,989	12,989	12,469	520	25,978	48,824
Advertising	51	22	73	-	21,974	22,047	24,484
Trainings and certifications	3,567	-	3,567	17,597	-	21,164	23,566
Travel meals and entertainment	4,770	5,764	10,534	7,951	1,392	19,877	29,906
Client support	-	17,343	17,343	-	-	17,343	52,823
Accounting and legal	18,130	8,484	26,614	6,854	753	34,221	10,905
Repairs and maintenance	7,041	6,220	13,261	2,485	273	16,019	20,163
Dues and subscriptions	12,692	-	12,692	1,569	-	14,261	9,133
Volunteer program	-	6,753	6,753	-	5,087	11,840	5,720
Bank fees	2,511	-	2,511	497	212	3,220	12,099
Refugee assistance	-	-	-	-	-	-	82,389
Other	-	4,320	4,320	4,033	-	8,353	18,520
	2,287,042	1,201,671	3,488,713	724,139	112,992	4,325,844	3,560,878
Depreciation	108,107	66,065	174,172	26,026	-	200,198	215,398
Total expenses	<u>\$ 2,395,149</u>	<u>\$ 1,267,736</u>	<u>\$ 3,662,885</u>	<u>\$ 750,165</u>	<u>\$ 112,992</u>	<u>\$ 4,526,042</u>	<u>\$ 3,776,276</u>

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	<u>2024</u>	<u>Restated 2023</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 1,659,943	\$ 414,979
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	200,198	215,398
Gain(Loss) on disposal	-	35,757
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in donations, contracts, and other receivables	(527,943)	(278,428)
(Increase)decrease in grants receivable	-	166,185
(Increase)decrease in prepaid expenses	1,474	(4,191)
(Decrease)increase in accounts payable	209,302	100,064
(Decrease)increase in payroll liabilities	(55,701)	16,049
(Decrease)increase in deferred revenue	(15,000)	(10,000)
Net cash provided by operating activities	<u>1,472,273</u>	<u>655,813</u>
<u>Cash flows from investing activities</u>		
(Additions) to property and equipment	(756,949)	(420,107)
(Additions) to construction	-	(448,274)
Net cash used by investing activities	<u>(756,949)</u>	<u>(868,381)</u>
<u>Cash flows from financing activities</u>		
Borrowing on Project Related Investment (PRI) loan	-	396,211
(Payments) on mortgage payable	(16,455)	(16,031)
(Payments) on short-term notes payable	-	(12,058)
(Payments) on long-term notes payable	(271,418)	(42,643)
Net cash provided by financing activities	<u>(287,873)</u>	<u>325,479</u>
Net increase in cash and cash equivalents	427,451	112,911
Cash and cash equivalents, beginning of year	<u>1,184,986</u>	<u>1,072,075</u>
Cash and cash equivalents, end of year	<u>\$ 1,612,437</u>	<u>\$ 1,184,986</u>
Supplemental disclosure of information		
Cash paid for mortgage interest	<u>\$ 23,899</u>	<u>\$ 24,332</u>

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES

Project Worthmore, (the Organization) is a 501(c)(3) not-for-profit corporation formed in 2011 by Frank and Carolyn Anello as a response to the acute need for assistance of the refugee families in their community. From our start offering makeshift English classes in living rooms, we now offer six comprehensive programs to thousands of refugee clients. Around half of our staff are from the refugee community, helping us to better listen, empower and support those who have come here to rebuild their lives. Strategically located off of east Colfax, Project Worthmore is in the heart of the refugee community and therefore easily accessed by our clients. Our team and impact continue to grow as we play a role in supporting people during the worst refugee crisis since World War II.

Project Worthmore addresses the needs within the community with the following programs and services:

- **Worthmore Clinic** is a twelve-chair dental clinic offering comprehensive restorative and preventative dental care by a culturally and linguistically diverse staff.
- **DeLaney Community Farm**, is a 5-acre farm that supports refugees through sustainable agriculture and community building.
- **English language program** in partnership with Emily Griffith Technical College, is tailored to the unique needs, interests and questions of our students, allowing them to acquire deeper cultural understanding while learning a new language.
- **Community Navigators** help with essential services and programs that can often be overwhelming for newcomers – enrolling children in school, applying for government benefits, finding meaningful employment, navigating the healthcare system, and much more.
- **Understanding Neighbors** is a comprehensive program rooted in mutual respect and principles of language equity. Composed of activities, classes, and events, understanding neighbors connects newcomers and English language learners and the broader welcoming community.
- **Yu Meh Food Share** is a culturally-relevant food access program that serves the refugee community. It provides fresh produce, grains, and dairy in a dignified, consistent way. Supported by local businesses, Nonprofits, and our own farm, the program also helps reduce waste across the food supply chain.

The Organization is supported primarily by grants and foundation income, individual and board contributions, and Medicaid reimbursements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

2. Basis of Presentation

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

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of one year or less to be cash equivalents.

4. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$5,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Accounts Receivable

This amount represents outstanding Medicaid billings less a 50% write-down.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2024, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain categories of expenses attributable to program services or a supporting function are allocated on a reasonable basis that is consistently applied. The significant expenses that are allocated are salaries and payroll taxes and benefits which are allocated based on time and effort. Insurance, and occupancy expenses are allocated based upon use. Other expenses are allocated based upon the program or supporting service benefited.

9. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

10. Compensated Absences

In accordance with (SFAS) No. 43, since the Organization is not able to estimate compensated absences, no amount has been accrued in these financial statements.

11. Summarized Prior-Year Information

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

12. Revenue and Revenue Recognition

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

13. Subsequent Events

Management has evaluated subsequent events through December 22, 2025, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents financial assets available for general operating expenditures within one year at December 31, 2024:

Financial assets at year-end:	<u>Amount</u>
Cash and cash equivalents	\$ 1,612,437
Donations, contracts and other receivables	<u>1,091,222</u>
	2,703,659
Less amounts not available for general expenditures within one year due to:	
Donor restrictions	(1,540,154)
Total financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 1,163,505</u>

The Organization's goal is generally to maintain financial assets available to meet one year of general operating expenses.

NOTE 4 - DONATIONS, CONTRACTS, AND OTHER RECEIVABLES

Donations, contracts, and other receivables represent \$1,151,082 in amounts that have been billed under contracts, or award notices received, but not collected as of the date of the financial statements. Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. As of December 31, 2024, management had determined, based on historical experience, that all amounts are fully collectible, are expected to be received in 2025, and no allowance for uncollectible grants and contracts is necessary.

NOTE 5 - PROPERTY AND EQUIPMENT

At year-end, property and equipment consist of:

<u>Description</u>	<u>Amount</u>
Phase I dental construction	\$ 2,118,351
Phase II (work in process)	1,056,038
Building	855,423
Phase I dental equipment	575,086
Land	321,182
Dental equipment	84,103
Box truck f450	54,999
Furniture and equipment	<u>24,389</u>
Total	5,089,571
Less: accumulated depreciation	<u>(503,929)</u>
Net property and equipment	<u>\$ 4,585,642</u>

Depreciation expense for the year was \$200,198

NOTE 6 - PROJECT RELATED INVESTMENT (PRI) LOAN

The Organization borrowed \$1.465 million from Colorado Enterprise Fund, Inc. (CEF). This Project Related Investment (PRI) loan is only to be used for construction on the Organization's property. Per the agreement dated June 15, 2022, funds were disbursed upon presentation of purchase orders, contracts, invoices, financial statements, accounts receivable aging or other appropriate evidence. The note bears interest of 2% per annum and matures on June 15, 2032. Interest-only payments, based on the principal balance outstanding from time to time, due July 15, 2023, and each month thereafter, until principal and interest payments begin. Payments of \$6,626 per month commenced on July 15, 2024, and will continue monthly until June 15, 2032, when the PRI will be payable in full.

At year-end, the Organization had utilized \$1,465,000 of the \$1,465,000 PRI. The future scheduled principal payments under CEF note for the years ending December 31, 2024 are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 51,189
2026	52,222
2027	53,276
2028	54,351
2029	55,449
2030	56,568
2031	57,709
2032	<u>812,818</u>
Total	<u>\$ 1,193,582</u>

NOTE 7 - MORTGAGE PAYABLE

The Organization has a participating mortgage note payable of \$634,000 that was used to purchase the building at 1666 Elmira St. The note bears interest at 3.99% and matures on March 24, 2028. Interest on the mortgage note is payable monthly, with principal due at maturity. Interest expense for the year was \$23,899. The Organization's note payable of \$574,822 closely matches the principal balance according to the amortization schedule provided by the lender. The future scheduled principal payments under the new note for the years ending December 31, 2024 are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 17,578
2026	18,156
2027	18,905
2028	<u>520,183</u>
Total	<u>\$ 574,822</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purpose:

<u>Description</u>	<u>Amount</u>
Capital project	<u>\$ 1,540,154</u>

NOTE 9 - IN-KIND CONTRIBUTIONS

Donated services are reflected in the accompanying financial statements at the estimated value at date of receipt. There were no donor restrictions associated with the in-kind contributions. The value of donated services included in the financial statements and the corresponding expenses for the year are as follows:

<u>Description</u>	<u>Amount</u>
We Don't Waste food donation (valued at about \$.42 per serving)	<u>\$ 157,074</u>

Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During 2024, Project Worthmore involved approximately 525 volunteers providing over 4,956 hours of volunteer time. These donated services were not recognized in the financial statements because they did not meet the criteria for recognition.

NOTE 10 - EMPLOYEE RETENTION CREDIT

The Organization amended applicable 941 quarterly tax filings to apply for an ERC credit. The Organization received refunds from the amended 941 filings on July 2023. The Organization engaged with their payroll company to administrate and help apply for the ERC. The total net amount received equaled \$143,688.

Laws and regulations concerning government programs, including the Employee Retention Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization.

NOTE 11 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
Delaney farm	\$ 50,000
Security	40,666
Navigators	25,000
English program	19,070
Food share	<u>9,000</u>
Total	<u>\$ 143,736</u>

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Organization holds the majority of its cash at one financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity. At year-end, the Organization's uninsured checking and money market account balances total approximately \$1,561,000. Management has evaluated its banking needs and the strength of the financial institution and feels it is in the best long-term interest of the organization to continue its existing relationship.

NOTE 13 - PRIOR PERIOD ADJUSTMENT

During the 2024 audit, it was determined that 2023 receivables and related revenue were understated by \$52,063. The correcting entry increased prior year grants and contracts receivable and the change in net assets by that amount.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent to year-end, the organization contracted two loans.

The first loan is an unsecured loan in the amount of \$300,000 from a donor-advised fund at the Denver Foundation under the recommendation of the Great Grandmothers Fund. The loan funds are to be used for the capital project. Interest shall accrue on the outstanding Principal Amount of the Loan at the rate of two percent (2%) per annum, compounded quarterly and calculated based on a three hundred sixty (360) day year of twelve (12) thirty (30) days months. The Organization will make quarterly payments on each March 1, June 1, September 1, and December 1 that occurs after the Closing Date and before September 11, 2030 (the "Maturity Date"). The first four quarterly payments shall be interest only payments.

The second loan from the City of Aurora. The loan for \$500,000, loan terms provided will be due, together with interest on the unpaid balance at a rate of 2 percent (2.00%) per annum, which interest shall accrue annually for a period of twenty (20) years. The first payment is due January 1, 2026, and subsequent payments are due on the first day of January in each year thereafter. Final payment is due on January 1, 2046.