



**United Palestinian Appeal, Inc.  
Financial Statements  
December 31, 2021 and 2020**

United Palestinian Appeal, Inc.  
Table of Contents  
December 31, 2021 and 2020

---

<b>Independent Auditor’s Report</b>	1 – 2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
<b>Notes to Financial Statements</b>	8 – 15

## Independent Auditor's Report

To the Board of Trustees of  
United Palestinian Appeal, Inc.

*Prager Metis CPAs, LLC*

1360 BEVERLY ROAD  
SUITE 300  
MCLEAN, VA 22101

T 703.821.0702

F 703.448.1236

[www.pragermetis.com](http://www.pragermetis.com)

### Opinion

We have audited the accompanying financial statements of United Palestinian Appeal, Inc. (UPA) (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 United Palestinian Appeal, Inc. as of December 31, 2021 and 2020, and the changes 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.

### Basis for Opinion

We conducted our audits 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 UPA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 UPA'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 UPA'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 UPA'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 we identified during the audit.

*Prager Metis CPAs, LLC*

Prager Metis CPAs, LLC  
McLean, Virginia  
March 8, 2022

United Palestinian Appeal, Inc.  
 Statements of Financial Position  
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,504,028	\$ 1,004,057
Other receivable	12,180	52,911
Contributions receivable	175,921	228,678
Prepaid expenses	38,593	25,087
Total current assets	<u>1,730,722</u>	<u>1,310,733</u>
Property and equipment, net	294,130	297,921
Investments	<u>4,228,523</u>	<u>3,848,532</u>
<b>Total assets</b>	<u>\$ 6,253,375</u>	<u>\$ 5,457,186</u>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 201,711	\$ 173,339
Accrued expenses	83,065	69,398
Refundable advances	244,314	153,367
<b>Total liabilities (all current)</b>	<u>529,090</u>	<u>396,104</u>
<b>Net assets</b>		
Without donor restrictions	5,690,763	4,867,046
With donor restrictions	<u>33,522</u>	<u>194,036</u>
<b>Total net assets</b>	<u>5,724,285</u>	<u>5,061,082</u>
<b>Total liabilities and net assets</b>	<u>\$ 6,253,375</u>	<u>\$ 5,457,186</u>

The accompanying notes are an integral part of these financial statements.

United Palestinian Appeal, Inc.  
Statements of Activities  
Years Ended December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	2021	Without Donor Restrictions	With Donor Restrictions	2020
<b>Revenue and support</b>						
Contributions	\$ 3,351,693	\$ -	\$ 3,351,693	\$ 2,136,933	\$ 194,036	\$ 2,330,969
Stock donations	138,910	-	138,910	131,222	-	131,222
In-kind contributions	26,805,949	-	26,805,949	2,997,517	-	2,997,517
Dividend and interest income, net of investment fees	164,202	-	164,202	91,694	-	91,694
Net realized investment gain	156,965	-	156,965	147,143	-	147,143
Net unrealized investment gain	57,950	-	57,950	121,674	-	121,674
Paycheck Protection Program grant	115,585	-	115,585	87,292	-	87,292
Other income	145,455	-	145,455	61,452	-	61,452
Net assets released from restriction	160,514	(160,514)	-	136,347	(136,347)	-
<b>Total revenue and support</b>	<b>31,097,223</b>	<b>(160,514)</b>	<b>30,936,709</b>	<b>5,911,274</b>	<b>57,689</b>	<b>5,968,963</b>
<b>Expenses</b>						
<b>Program services</b>						
Health and welfare	27,605,760	-	27,605,760	3,645,515	-	3,645,515
Community development	1,138,583	-	1,138,583	718,547	-	718,547
Outreach and public information	217,890	-	217,890	208,396	-	208,396
Education and scholarships	414,884	-	414,884	356,189	-	356,189
Total program services	29,377,117	-	29,377,117	4,928,647	-	4,928,647
<b>Supporting services</b>						
Fundraising	425,110	-	425,110	369,141	-	369,141
Management and general	471,279	-	471,279	388,581	-	388,581
Total supporting services	896,389	-	896,389	757,722	-	757,722
<b>Total expenses</b>	<b>30,273,506</b>	<b>-</b>	<b>30,273,506</b>	<b>5,686,369</b>	<b>-</b>	<b>5,686,369</b>
<b>Change in net assets</b>	<b>823,717</b>	<b>(160,514)</b>	<b>663,203</b>	<b>224,905</b>	<b>57,689</b>	<b>282,594</b>
Net assets, beginning of year	4,867,046	194,036	5,061,082	4,642,141	136,347	4,778,488
<b>Net assets, end of year</b>	<b>\$ 5,690,763</b>	<b>\$ 33,522</b>	<b>\$ 5,724,285</b>	<b>\$ 4,867,046</b>	<b>\$ 194,036</b>	<b>\$ 5,061,082</b>

The accompanying notes are an integral part of these financial statements.

United Palestinian Appeal, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services			Supporting Services			Total
	Health and Welfare	Community Development	Outreach and Public Information	Education and Scholarships	Fundraising	Management and General	
Salaries	\$ 146,292	\$ 115,355	\$ 120,966	\$ 91,903	\$ 240,528	\$ 209,496	\$ 924,540
Employee benefits	18,981	14,967	15,694	11,925	31,208	27,183	119,958
Payroll taxes	9,045	7,132	7,479	5,682	14,869	12,951	57,158
Project grants and expenses	598,909	980,168	-	167,232	-	-	1,746,309
In-kind grants	26,805,949	-	-	-	-	-	26,805,949
Student grants	-	-	-	121,442	-	-	121,442
Travel	-	-	-	-	-	29,888	29,888
Occupancy	13,714	10,813	11,340	8,613	22,545	19,637	86,662
Telephone	2,885	2,275	2,385	1,812	4,743	4,131	18,231
Postage and shipping	-	-	4,294	-	36,665	23,012	63,971
Printing and advertising	-	-	47,474	-	32,859	5,124	85,457
Conferences and meetings	-	-	-	-	-	6,200	6,200
Office and miscellaneous	6,329	4,991	5,234	3,978	35,681	20,284	76,497
Professional fees	-	-	-	-	-	13,252	13,252
Accounting services	-	-	-	-	-	23,235	23,235
Website and consultant	-	-	-	-	-	9,727	9,727
Bank charges and fees	-	-	-	-	-	61,924	61,924
Depreciation	3,656	2,882	3,024	2,297	6,012	5,235	23,106
<b>Total expenses</b>	<b>\$ 27,605,760</b>	<b>\$ 1,138,583</b>	<b>\$ 217,890</b>	<b>\$ 414,884</b>	<b>\$ 425,110</b>	<b>\$ 471,279</b>	<b>\$ 30,273,506</b>

The accompanying notes are an integral part of these financial statements.

United Palestinian Appeal, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2020

	Program Services			Supporting Services			Total
	Health and Welfare	Community Development	Outreach and Public Information	Education and Scholarships	Fundraising	Management and General	
Salaries	\$ 105,882	\$ 84,387	\$ 116,890	\$ 60,013	\$ 233,890	\$ 154,095	\$ 755,157
Employee benefits	11,117	8,860	12,273	6,303	24,556	16,176	79,285
Payroll taxes	6,367	5,075	7,029	3,608	14,065	9,266	45,410
Project grants and expenses	501,963	602,293	-	180,065	-	-	1,284,321
In-kind grants	2,997,517	-	-	-	-	-	2,997,517
Student grants	-	-	-	93,450	-	-	93,450
Travel	-	-	-	-	-	15,309	15,309
Occupancy	12,315	9,814	13,593	6,979	27,202	17,922	87,825
Telephone	2,176	1,734	2,402	1,233	4,806	3,165	15,516
Postage and shipping	-	-	11,612	-	5,627	60,850	78,089
Printing and advertising	-	-	35,760	-	28,786	2,244	66,790
Conferences and meetings	170	-	-	-	-	2,644	2,814
Office and miscellaneous	4,762	3,796	5,254	2,699	23,039	20,062	59,612
Professional fees	-	-	-	-	-	5,343	5,343
Accounting services	-	-	-	-	-	28,874	28,874
Website and consultant	-	-	-	-	-	11,664	11,664
Bank charges and fees	-	-	-	-	-	36,242	36,242
Depreciation	3,246	2,588	3,583	1,839	7,170	4,725	23,151
Total expenses	\$ 3,645,515	\$ 718,547	\$ 208,396	\$ 356,189	\$ 369,141	\$ 388,581	\$ 5,686,369

The accompanying notes are an integral part of these financial statements.



United Palestinian Appeal, Inc.  
 Statements of Cash Flows  
 Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 663,203	\$ 282,594
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	23,106	23,151
Net realized gain on investments	(156,965)	(147,143)
Net unrealized gain on investments	(57,950)	(121,674)
(Increase)/decrease in assets		
Contributions receivable	52,757	(126,141)
Accounts receivable	40,731	(52,911)
Prepaid expenses	(13,506)	(3,821)
Increase/(decrease) in liabilities		
Accounts payable	28,372	62,161
Accrued expenses	13,667	9,859
Refundable advances	90,947	(430,633)
<b>Net cash provided by (used in) operating activities</b>	<u>684,362</u>	<u>(504,558)</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(19,315)	(63,302)
Proceeds from sale of investments	208,723	734,128
Purchase of investments	(373,799)	(954,876)
<b>Net cash used in investing activities</b>	<u>(184,391)</u>	<u>(284,050)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	499,971	(788,608)
Cash and cash equivalents, beginning of year	<u>1,004,057</u>	<u>1,792,665</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,504,028</u>	<u>\$ 1,004,057</u>

The accompanying notes are an integral part of these financial statements.

**Note 1 Organization**

United Palestinian Appeal, Inc. (“UPA”) is a non-profit organization established in the state of New York in 1978. UPA empowers Palestinians to improve their lives and communities through socially responsible and sustainable programs in health, education, and community and economic development.

UPA is supported primarily through contributions from the public and in-kind donations from major corporations.

**Note 2 Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements are presented in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), whereby, contributions are recognized as support upon notification of the donation and expenses are recognized when incurred.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in conformity with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Financial Statement Presentation**

Under GAAP, UPA is required to report information regarding its financial position and activities according to two classes of net assets as follows:

*Without donor restrictions* – Net assets not subject to donor-imposed stipulations.

*With donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of UPA and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by UPA.

**Contributions**

Contributions received are recorded as with donor restrictions if they are received with donor stipulations that limit their use and such stipulations are more specific than broad limits resulting from the nature of the not-for-profit entity, the environment in which it operates, or the purposes specified in its articles of incorporation or bylaws. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When donor restrictions are met in the same reporting period, contributions with donor restrictions are reported as contributions without donor restrictions.

**Note 2 Summary of Significant Accounting Policies (continued)**

**In-kind Contributions**

In-kind contributions are recorded at their estimated fair value as of the date of the donation.

**Allocation of Expenses**

Expenses directly attributable to a program or supporting service are charged directly to that program or supporting service. Salaries, employee benefits, payroll taxes, occupancy, telephone, depreciation, office and miscellaneous expenses are allocated among program and supporting services based on the time and effort of employees.

**Functional Expenses**

Expenses are classified according to the programs and supporting services for which they were incurred and are reported on a functional basis in the accompanying statements of activities and statements of functional expenses. The program and supporting services of UPA are as follows:

*Health and Welfare* – All expenses incurred for health projects including mobile clinics, primary care clinics, emergency food distribution, medical visits, pharmaceuticals and trauma counseling for Palestinians in the West Bank, Gaza and refugee camps in the Arab countries. Expenses incurred also include projects that directly benefit handicapped, orphaned, or extremely deprived children through programs conducted by UPA's partners.

*Community Development* – All expenses incurred to rebuild and rehabilitate Palestinian community infrastructures as well as environmental and agricultural projects, and to implement micro-finance, micro-enterprise and other projects that stimulate employment.

*Outreach and Public Information* – All expenses incurred to educate the general public and raise awareness about Palestinian history, language, and culture.

*Education and Scholarships* – Financial assistance in the form of university scholarships, work study opportunities and fellowships and vocational training provided to needy Palestinian students who are living in or intend to return to Palestine.

*Fundraising* – All expenses incurred with the purpose of raising funds.

*Management and General* – All other operating expenses incurred by UPA in the accomplishment of its tax exempt purposes.

**Income Taxes**

UPA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, only unrelated business income is subjected to income tax. For the years ended December 31, 2021 and 2020, there was no unrelated business income.

**Note 2 Summary of Significant Accounting Policies (continued)**

UPA believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

UPA's federal Return of Organization Exempt from Income Tax (Form 990) is open to examination by the IRS, generally for three years after it was filed.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents consists of demand deposits and money market funds held in banks.

**Contributions Receivable**

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Management periodically reviews the collectability of contributions receivable. Management determines the allowance for doubtful accounts by using the historical experience applied to an aging of contributions receivable. Contributions receivable are written off when considered uncollectible. At December 31, 2021 and 2020, there was no allowance for doubtful accounts and all contributions receivable were expected to be collected within one year.

**Property and Equipment**

UPA capitalizes property and equipment greater than \$500. Property and equipment is recorded at cost and depreciated using the straight-line method over the estimated useful lives of three years for the website, seven years for furniture and equipment, five to seven years for improvements, and thirty-nine years for the condominium unit. Repairs and maintenance are expensed as incurred.

**Valuation of Long-lived Assets**

UPA reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of carrying amount or fair value, less cost to sell. There were no impaired assets at December 31, 2021 and 2020.

**Investments**

Investments in marketable equity securities with readily determinable fair values are measured at fair value.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Refundable Advances**

Contributions that contain a barrier and are refundable or revocable by the donor are recognized as refundable advances until UPA meets the barrier.

**Advertising**

Advertising is expensed as incurred and is classified as a component of printing and advertising on the statements of functional expenses. For the years ended December 31, 2021 and 2020, advertising expense totaled \$9,424 and \$11,355, respectively.

**Note 3 Concentrations of Credit Risk**

UPA maintains accounts at a number of financial institutions both within and outside of the United States. The bank accounts in the United States are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor at each bank. UPA maintains cash balances that may exceed federally insured limits. UPA has not experienced any losses in such accounts.

UPA invests in a professionally managed portfolio that contains various securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. Security investments are held at brokerage firms that are members of Securities Investor Protection Corporation (SIPC). UPA maintains balances at those firms that may be in excess of federally insured limits of \$500,000. UPA has not experienced any such losses.

**Note 4 Property and Equipment**

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Office condominium	\$ 314,923	\$ 310,923
Condo improvements	44,946	44,946
Furniture and equipment	85,826	70,512
Website	8,264	8,264
Land	84,840	84,840
	<u>538,799</u>	<u>519,485</u>
Less: Accumulated depreciation	<u>(244,669)</u>	<u>(221,564)</u>
	<u>\$ 294,130</u>	<u>\$ 297,921</u>

**Note 5 Investments**

Investments consist of the following publicly traded securities:

	<u>2021</u>	<u>2020</u>
Exchange-traded funds	\$ 544,964	\$ 485,892
Mutual funds	<u>3,683,559</u>	<u>3,362,640</u>
	<u>\$ 4,228,523</u>	<u>\$ 3,848,532</u>

**Note 6 Fair Value Measurement**

GAAP requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

There were no changes in valuation techniques and related inputs in 2021 or 2020.

Fair value measurements at December 31, 2021 were as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds		
Large Cap	\$ 1,031,981	\$ 1,031,981
Mid Cap	178,232	178,232
Small Cap	101,954	101,954
Options	194,077	194,077
Realty	154,413	154,413
International	658,081	658,081
Bonds	<u>1,364,821</u>	<u>1,364,821</u>
Total mutual funds	<u>3,683,559</u>	<u>3,683,559</u>
Exchange-traded funds	<u>544,964</u>	<u>544,964</u>
Total	<u>\$ 4,228,523</u>	<u>\$ 4,228,523</u>

**Note 6 Fair Value Measurement (continued)**

Fair value measurements at December 31, 2020 were as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds		
Large Cap	\$ 919,342	\$ 919,342
Mid Cap	159,554	159,554
Small Cap	88,113	88,113
Options	171,094	171,094
Realty	108,276	108,276
International	625,592	625,592
Bonds	1,290,669	1,290,669
Total mutual funds	<u>3,362,640</u>	<u>3,362,640</u>
Exchange-traded funds	<u>485,892</u>	<u>485,892</u>
Total	<u>\$ 3,848,532</u>	<u>\$ 3,848,532</u>

**Note 7 Net Assets With Donor Restriction**

Net assets with donor restrictions are restricted for community development at December 31, 2021 and 2020.

**Note 8 In-kind Contributions**

UPA received gifts in-kind in the form of pharmaceuticals and medical supplies, which are distributed to organizations in the West Bank, Gaza and refugee camps in Jordan and Lebanon. These gifts in-kind are recognized as in-kind contributions and expensed in the health and welfare program as in-kind grants in the accompanying financial statements.

**Note 9 Defined Contribution Postretirement Plan**

UPA sponsors a safe-harbor 401(k) plan covering all employees over the age of 21 who have attained one year of service. UPA matches 100% of employee contributions up to 3% of compensation, plus 50% of employee contributions that exceed 3% of compensation but not to exceed 5% of compensation. For the years ended December 31, 2021 and 2020, matching contribution expenses totaled \$14,454 and \$11,601, respectively. These amounts are included as a component of employee benefits expense in the statements of functional expenses.

**Note 10 Contribution from Foundation**

UPA is a beneficiary of a non-discretionary irrevocable foundation registered in the Principality of Liechtenstein whereby the net income of the foundation’s assets is distributed annually and perpetually. UPA has been unable to obtain the value of the investments held by the foundation and, accordingly, no interest in the perpetual trust is reflected in the accompanying financial statements.

**Note 11 Liquidity and Availability**

UPA’s financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,504,028	\$ 1,004,057
Other receivable	12,180	52,911
Contributions receivable	<u>175,921</u>	<u>228,678</u>
	<u>1,692,129</u>	<u>1,285,646</u>
Less: Donor restrictions	33,522	194,036
Less: Refundable advance	<u>244,314</u>	<u>153,367</u>
	<u>\$ 1,414,293</u>	<u>\$ 938,243</u>

UPA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, UPA’s investments are available for expenditure in the event of an unanticipated liquidity need.

**Note 12 Line of Credit**

In 2020, UPA entered into a line of credit with its financial institution. The line of credit is secured by the investments of UPA. The amount available for draws on the line of credit is based on the balance of the investments held by UPA at the financial institution and bears interest at 1% over the prime rate (3.25% at December 31, 2021). There were no draws on the line during 2021.

**Note 13 Paycheck Protection Program**

In 2021 and 2020, UPA obtained loans of \$115,585 and \$87,292, respectively, pursuant to the Paycheck Protection Program (“PPP”). These loans were recognized as revenue in their respective reporting periods as UPA believed it had used the loan proceeds for the purposes consistent with the PPP. During 2021, UPA received notification that the loans were forgiven.



**Note 14 Employee Retention Credit**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), UPA was eligible for a refundable employee retention credit subject to certain criteria. UPA recognized a \$132,152 employee retention credit and a \$52,911 employee retention credit during 2021 and 2020, respectively, which is included in other income on the accompanying statement of activities. Employee retention credit receivables due from the United States government totaled \$12,180 and \$52,911 as of December 31, 2021 and 2020, respectively, and are reported as other receivable in the accompanying statements of financial position.

**Note 15 Subsequent Events**

Management has evaluated subsequent events through March 8, 2022, the date which the financial statements were available to be issued.