BOOKSPRING (A Nonprofit Corporation)

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2020 and 2019

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
BookSpring (A Nonprofit Corporation)
Austin, Texas

We have audited the accompanying financial statements of BookSpring (A Nonprofit Corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 BookSpring (A Nonprofit Corporation) as of June 30, 2020, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization's operations have been impacted by the COVID-19 pandemic in 2020. The financial impact to the financial statements cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Prior Year Financial Statements
The financial statements of the Organization as of and for the year ended June 30, 2019, were audited by other auditors whose report dated January 29, 2020, expressed an unmodified opinion on those statements.

Cherry Bekaert LLP

Austin, Texas
December 15, 2020

BOOKSPRING (A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 645,373	$ 436,652
Grants and other receivables, net	64,836	54,817
Inventory	141,197	100,048
Prepaid expenses and other current assets	84,843	94,025
Total Current Assets	936,249	685,542
AISD - right to use property	210,615	311,284
Property and equipment, net	28,709	64,924
Total Assets	$ 1,175,573	$ 1,061,750
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 49,413	$ 75,763
Total Liabilities	49,413	75,763
Net Assets:		
Net assets without donor restrictions	719,577	586,954
Net assets with donor restrictions	406,583	399,033
Total Net Assets	1,126,160	985,987
Total Liabilities and Net Assets	$ 1,175,573	$ 1,061,750

BOOKSPRING (A Nonprofit Corporation)
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Program fees	$ 159,616	$ -	$ 159,616
Grants and contracts	280,411	264,966	545,377
Contributions	320,348	-	320,348
Donated assets	84,588	30,432	115,020
In-kind revenue	163,638	-	163,638
Other income	58,674	-	58,674
Net assets released from donor imposed restrictions	287,848	(287,848)	-
Total Revenues and Other Support	1,355,123	7,550	1,362,673
Expenses:			
Early literacy programs	942,130	-	942,130
Fundraising	118,062	-	118,062
General and administrative	162,308	-	162,308
Total Expenses	1,222,500	-	1,222,500
Change in net assets	132,623	7,550	140,173
Net assets, beginning of year	586,954	399,033	985,987
Net assets, end of year	$ 719,577	$ 406,583	$ 1,126,160

BOOKSPRING (A Nonprofit Corporation)
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Program fees	$ 195,101	$ -	$ 195,101
Grants and contracts	451,917	-	451,917
Contributions	234,159	43,750	277,909
Donated assets	120,914	-	120,914
In-kind revenue	144,844	-	144,844
Other income	116,520	-	116,520
Net assets released from donor imposed restrictions	103,348	(103,348)	-
Total Revenues and Other Support	1,366,803	(59,598)	1,307,205
Expenses:			
Early literacy programs	983,468		983,468
Fundraising	167,144		167,144
General and administrative	227,094	-	227,094
Total Expenses	1,377,706	-	1,377,706
Change in net assets	(10,903)	(59,598)	(70,501)
Net assets, beginning of year	597,857	458,631	1,056,488
Net assets, end of year	$ 586,954	$ 399,033	$ 985,987

BOOKSPRING (A Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2020 AND 2019

2020	**Early Literacy Programs**	**Fundraising**	**General and Administrative**	**Total**
Expenses:				
Personnel costs	$ 379,759	$ 30,565	$ 78,861	$ 489,185
Direct program costs	236,122	-	-	236,122
Contractual costs	44,409	41,556	42,113	128,078
Travel and meals	4,968	408	2,550	7,926
Facilities and rental expense	86,536	23,498	24,037	134,071
Administration costs	190,336	22,035	14,747	227,118
Total Expenses	$ 942,130	$ 118,062	$ 162,308	$ 1,222,500

2019	**Early Literacy Programs**	**Fundraising**	**General and Administrative**	**Total**
Expenses:				
Personnel costs	$ 335,163	$ 76,302	$ 69,808	$ 481,273
Direct program costs	337,913	-	-	337,913
Contractual costs	122,210	41,789	110,853	274,852
Travel and meals	2,883	351	3,179	6,413
Facilities and rental expense	121,439	31,460	13,199	166,098
Administration costs	63,860	17,242	30,055	111,157
Total Expenses	$ 983,468	$ 167,144	$ 227,094	$ 1,377,706

BOOKSPRING (A Nonprofit Corporation)
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ 140,173	$ (70,501)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Gain on disposal of property and equipment	(9,819)	-
Depreciation and amortization	113,582	114,455
Change in operating assets and liabilities:		
Grants and other receivables, net	(10,019)	(30,198)
Inventory	(41,149)	(39,558)
Prepaid expenses and other current assets	9,182	(87,712)
Accounts payable and accrued expenses	(26,350)	51,970
Deferred program fees	-	(260)
Net cash flows from operating activities	175,600	(61,804)
Cash flows from investing activities:		
Proceeds from the disposal of property and equipment	33,121	-
Net cash flows from investing activities	33,121	-
Cash flows from financing activities:		
Payments on capital lease obligation	-	(4,762)
Net cash flows from financing activities	-	(4,762)
Net change in cash and cash equivalents	208,721	(66,566)
Cash and cash equivalents, beginning of year	436,652	503,218
Cash and cash equivalents, end of year	$ 645,373	$ 436,652
Supplemental information:		
Interest paid	$ -	$ 232
Income taxes paid	$ -	$ -

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

Note 1—Organization and summary of significant accounting policies

Organization and Nature of Activities – BookSpring (the “Organization”) is a Texas nonprofit corporation that envisions a world of families reading and succeeding together. We build early literacy in children and families through healthcare, education, and community through over 200 partnerships designed to provide access to quality, developmentally appropriate print and digital books as a means of developing the lifelong motivation to read. The Organization provides support and volunteers to reach children, parents and caregivers with activities such as book distributions and read-aloud events nearly every day of the year. The Organization offers a continuum of early literacy programs targeting low income zip codes in three program areas which include healthcare (BookSpringRx), education (BookSpringEd), and community (BookSpringGo). These three areas are comprised of the following programs:

- *Books-For-Me* motivates children from 3 to 12 years old to read through distribution of at least three books to own, motivational activities, and family involvement in children’s reading. Books-For-Me is implemented through partnering childcare centers, preschools, and elementary schools.
- *Summer Success* effectively reverses the summer reading slide in over 60% of participants. We offer a classroom-based curriculum for K, 1st, and 2nd grade teachers to provide reading support such as vocabulary and oral comprehension, together with a distribution to the students of 10 books before the summer break and supportive parent materials and text message reminders.
- *ReadWell and Pediatric Literacy Kit* programs promote early literacy and school readiness to children birth to 5 years by giving new books to children and advice to parents about the importance of reading aloud. The program operates in pediatric well-child visits, primary care settings, nurse home visitor programs, and WIC clinics.
- *Parent with Books* is an intergenerational literacy training program for parents and toddlers that improve literacy skills of both parents and children. Through role modeling, the programs encourage parents to read in family settings with their children to enhance their ability to succeed in school. We offer direct trainings and materials for sites to replicate this program, primarily through parent support in the schools and comprehensive parenting programs of other nonprofits.
- *BookSpring Days and ReBook* programs place donated children’s books into the hands of children in the community. Donated books are carefully sorted and distributed to children through community outreach events, children’s shelters, faith-based organizations, laundry mats, and libraries, with a special focus on the 20 highest poverty zip codes in central Texas.
- *The BookSpring Readathon* encourages community service by kids reading for kids and sharing the joy of book ownership with other children in the community. During the two-week event, children and book lovers collect donations supporting their personal goals of minutes read. Now in its 15th year, the donated proceeds support early literacy programs in the greater Austin area.

Basis of Presentation and Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Note 1—Organization and summary of significant accounting policies (continued)

Net Asset Classifications – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified as:

> *Net Assets With Donor Restrictions* – Net assets the use of which is subject to donor restrictions or the passage of time that can be fulfilled by actions of the Organization pursuant to those stipulations.
>
> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor restrictions. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by action of the Board of Directors of the Organization. There were no board designated net assets as of June 30, 2020 or 2019.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent 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 estimated. Significant estimates include the value of in-kind support and donated assets, functional expense allocations, and useful lives of fixed assets for determining depreciation.

Cash and Cash Equivalents – For the purposes of the statements of cash flows, the Organization considers all investments with original purchased maturities of three months or less to be cash equivalents.

Grants and Other Receivables – Grants and other receivables consist of programs fees, grants, and other receivables. Grants and other receivables are considered past due based upon contractual terms of the underlying agreement. The Organization analyzes grants and other receivables individually for purposes of determining collectability at year-end. At June 30, 2020 and 2019, no allowance for doubtful accounts is required.

Inventory – The Organization maintains inventories of new and used books to support its programs. Inventory is stated at the lower of cost or net realizable value determined by the first-in, first-out method of expensing. Due to the nature of the materials and length of time they are held, the Organization did not provide for an allowance for obsolescence or decline in market value for new and used books as of June 30, 2020 and 2019.

Property and Equipment – Property and equipment purchased for or exceeding $1,000 is recorded at cost. The Organization does not recognize depreciation on construction in progress until assets are placed in service. Depreciation for other property and equipment is provided using the straight-line method over the useful lives of the assets as follows: buildings and improvements forty years, equipment five years and technology equipment three years. During the year ended June 30, 2020, the Organization disposed of certain property and equipment resulting in a net gain of $9,819.

Long-Lived Assets – Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Organization compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets and is recorded in the period in which the determination was made. No indicators of impairment existed at June 30, 2020 and 2019.

Note 1—Organization and summary of significant accounting policies (continued)

Program Fees – The Organization considers all its program fees to be exchange transactions. Revenue is recognized from these transactions as services are rendered and expenses incurred.

Contributions – Contributions received (including unconditional pledges) are recorded as support with restrictions or support without restrictions in the period received depending on the existence or nature of any donor restrictions. Promises to give are recognized as revenue only if sufficient evidence exists in the form of verifiable documentation that a promise was made and received. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions in the reporting period in which the support is recognized.

The Organization reports contributions as restricted support if the support is received with donor restrictions that limit the use of the donated assets. When and if a donor restriction expires this 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 statements of activities as net assets released from imposed restrictions. The Organization's policy is to report restricted support that is satisfied in the year of receipt as without donor restrictions on the statements of activities.

Contributions receivable with maturity dates due within 12 months are recorded at net realizable value, while pledges with maturity dates in subsequent years are recorded at the present value of their net realizable value using a risk-free interest rate. The Organization evaluates the collectability of its contributions and adequacy of its allowance for doubtful receivables on a periodic basis. The evaluation includes historical loss experience, length of time the contributions are past due and adverse situations that may affect the donor's ability to honor its contributions. The Organization records and adjusts its allowance as necessary. There was no allowance for doubtful receivables as of June 30, 2020 and 2019.

Grants and Contracts – The Organization considers grants and contracts to be contributions which are recognized when unconditionally promised or received. Conditional promises to give to the Organization are recognized as the conditions upon which they depend are substantially met.

Functional Expense Classification – The expense information contained in the statements of activities is presented on a functional basis. Accordingly, certain expenses are allocated between functional categories based on management's estimates. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. These expenses include personnel costs; contractual costs; travel and meals; and administration costs; which are allocated based upon staff time devoted. Facilities and rental expenses are allocated by square footage to program, general and administrative, and fundraising services.

In-Kind Support and Donated Assets – Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

In-kind support and donated assets consist of donated books (new and gently used), promotional services, professional services, program and motivation supplies, leased property, and janitorial and utility services.

Note 1—Organization and summary of significant accounting policies (continued)

Donated services are recognized if the services received (a) create or enhance nonfinancial assets and (b) require specialized skills that are provided by an individual possessing those skills and would typically need to be purchased if not provided by donation. For those services meeting the criteria for recognition as contributed services, they are recognized pursuant to U.S. GAAP.

The Organization reports contributions of land, buildings, and equipment as without donor restrictions, unless explicit donor restrictions specify how the donated assets must be used. Gifts of assets with explicit restrictions that specify how the assets are to be used are accounted for as with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. All contributed assets are recorded at their fair value on the date of donation.

Income Tax – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. The Corporation has also been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). There was no unrelated business income for the years ended June 30, 2020 and 2019.

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Section 740 requires extensive disclosures about uncertain tax positions. The requirements of this standard are applicable to nonprofit organizations. The Organization evaluates any uncertain tax positions using the provisions of FASB ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probably that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management's judgment with respect to the likely outcome of each uncertain tax position.

The Organization does not believe that it has engaged in any situation that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Organization has no open examinations with the IRS or state taxing authorities. The Organization's policy is to record any income tax related penalties and interest incurred as general and administrative expense. There are no income tax related penalties and interest included in the accompanying financial statements.

The Organization is generally no longer subject to tax examinations relating to U.S. federal tax returns for years prior to 2017.

Recently Issued Accounting Pronouncements – In May 2014, FASB issued guidance in ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes most current revenue recognition guidance and outlines a single comprehensive model for entities to use in accounting for revenue. The guidance provides a five-step framework to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to be entitled to receive in exchange for those goods or services. On June 3, 2020, FASB issued guidance (ASU 2020-05) that defers the effective date of the revenue standard (*ASC 606*) for entities that have not yet issued financial statements adopting the standard. For private companies, the ASU is now effective for annual periods beginning after December 15, 2019. Early adoption is still permitted. The deferral of this standard is intended to provide relief for not-for-profit entities that have had their implementation efforts delayed by a novel coronavirus ("COVID-19") pandemic. The Organization is currently evaluating the impact of the standard on its financial statements.

Note 1—Organization and summary of significant accounting policies (continued)

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to recognize on its balance sheet a right-of-use asset and a lease liability under most operating leases. This ASU requires a lessee to recognize on its balance sheet a right-of-use asset and a lease liability under most operating leases. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the effects that the adoption of ASU 2016-02 will have on its financial position, results of operations, or cash flows.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Organization adopted this ASU on July 1, 2019 and the implementation of this ASU did not have a significant impact on the Organization's financial statements or disclosures.

Other recently issued ASUs were assessed and determined to be either not applicable or are expected to have minimal impact on its financial position and results of operations.

Management's Review – Management has evaluated subsequent events through December 15, 2020, which is the date the financial statements were available for issuance.

Note 2—Liquidity

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2020	2019
Cash and cash equivalents	$ 645,373	$ 436,652
Grants and other receivables, net	64,836	54,817
	$ 710,209	$ 491,469

Receivables are expected to be collected within one year. Total net assets with donor restrictions as of June 30, 2020 were $406,583. Due to the nature of its mission, the Organization is substantially supported by contributions without restrictions. Therefore, financial assets are typically available for general expenditures within one year.

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic which continues to spread throughout the United States. As a result of the outbreak, an economic downturn has had a significant impact on local and global economies. In May 2020, the Organization applied for and received a forgivable Paycheck Protection Program ("PPP") loan in the amount of $90,200 (see Note 9). The loan proceeds have been used to cover eligible expenses including payroll and benefits. As a result, management believes there is sufficient capital in the Organization required to fund operations for the next fiscal year. While the Organization expects this matter to impact operations, Management believes current assets are sufficient to cover the Organization's obligations as they become due.

Note 3—Contributed services and donated assets

During the years ended June 30, 2020 and 2019, the Organization received $89,500 in donated media coverage and other professional services associated with the Read-A-Thon program.

Effective July 1, 2017, the Organization executed a new five-year lease agreement with AISD with the possibility of two, two-year extensions thereafter. The agreement is to retain the original two portable buildings originally purchased from AISD and for the use and maintenance of one additional portable building already on the AISD site. The Organization has estimated the net present value of these future services for the initial five-year term to be $503,793, which was recorded as an asset and a contribution with donor restrictions during the year ended June 30, 2018 and will be amortized on a straight-line basis over the initial term of the agreement. Amortization expense related to the AISD donated portable buildings and services was $100,668 and $100,347 for the years ended June 30, 2020 and 2019, respectively, and is included in facilities and rental expense in the statements of functional expenses for the years ended June 30, 2020 and 2019.

The remaining amounts of in-kind revenue and donated assets reported on the statements of activities for the years ended June 30, 2020 and 2019 represent donated books and other materials supporting the Organization's programs.

The Organization does receive substantial support from volunteers; however, these services do not meet the requirements for revenue recognition in the financial statements as set forth in FASB ASC 958-605.

Note 4—Property and equipment

Property and equipment comprised the following at June 30:

	2020	2019
Portable buildings and improvements	$ 66,128	$ 66,128
Furniture and equipment	18,818	18,818
Vehicle	-	33,121
Website and software	16,820	16,820
Total property and equipment	101,766	134,887
Less accumulated depreciation and amortization	(73,057)	(69,963)
Property and equipment, net	$ 28,709	$ 64,924

Depreciation and amortization expense related to property and equipment totaled $12,913 and $14,108 for the years ended June 30, 2020 and 2019, respectively. For the year ended June 30, 2020, the Organization had approximately $33,000 in disposals of property and equipment which resulted in a gain of approximately $9,800 for the year then ended. For the year ended June 30, 2019, the Organization had approximately $81,000 in disposals of fully depreciated property and equipment.

Note 5—Commitments and contingencies

The Organization is subject to various claims and liabilities in the ordinary course of business. At June 30, 2020 and 2019, there were no significant outstanding legal actions or claims against the Organization. The Organization maintains various forms of insurance that the Organization's management believes are adequate to reduce the exposure to such risks to an acceptable level.

Note 6—Capital lease obligation

In October 2013, the Organization entered into a capital lease agreement for computer equipment totaling $29,401 which expired in November 2018. Amortization of the leased property is included in depreciation and amortization expense in the accompanying statements of activities. The Organization recognized interest expense of $232 related to the capital lease during the year ended June 30, 2019.

Note 7—Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2020	2019
AISD donated land and services	$ 210,615	$ 311,284
Books-For-Me program	-	44,000
Summer Success program	82,538	20,000
ReadWell program	28,442	13,749
Other purposes	84,988	10,000
Total net assets with donor restrictions	$ 406,583	$ 399,033

Net assets released from donor restrictions due to the satisfaction of requirements consisted of the following at June 30:

	2020	2019
AISD donated land and services	$ 100,668	$ 100,348
Books For Me program	44,000	3,000
Summer Success program	57,462	-
ReadWell program	75,718	-
Other purposes	10,000	-
Total net assets with donor restrictions	$ 287,848	$ 103,348

Note 8—Related parties

During the years ended June 30, 2020 and 2019, the Organization received contributions of approximately $60,000 and $45,000, respectively, from various members of the Board of Directors. These amounts represent actual cash contributions and in-kind contributions received and are included in contributions in the accompanying statements of activities.

Note 9—Paycheck Protection Program Loan

On May 4, 2020, the Organization qualified for and received a loan pursuant to the PPP, a program implemented by the U.S. Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), from a qualified lender (the PPP Lender), for an aggregate principal amount of $90,200 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of approximately two years, and is unsecured and guaranteed by the U.S. SBA. The principal amount of the PPP Loan is subject to forgiveness under the PPP upon the Organization’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in December 2020, principal and interest payments will be required through the maturity date. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

The Organization has elected to record grant revenue related to the proceeds from the PPP Loan as qualified expenditures are incurred. During the year ended June 30, 2020, $83,473 was recognized as grants and contracts revenue on the accompanying statement of activities in conjunction with the recognition of qualified expenditures.