

FINANCIAL STATEMENT AND
INDEPENDENT AUDITORS' REPORT

1ST KIDS, INC.

MARCH 31, 2020 AND 2019

SWARTZ, RETSON & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
235 E. 86TH AVENUE
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1ST KIDS, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
1st Kids, Inc.
11045 Broadway, Suite F
Crown Point, IN 46307

Report on the Financial Statements

We have audited the accompanying financial statements of 1st Kids, Inc., (a non-profit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of 1st Kids, Inc. as of March 31, 2020 and 2019, 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.

Merrillville, IN
December 21, 2020

1ST KIDS, INC.

STATEMENT OF FINANCIAL POSITION MARCH 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$1,029,351	\$1,518,243
Grants Receivable	1,746,702	874,224
Eligibility Determination Receivable	47,451	33,402
Prepaid Expenses	<u>44,963</u>	<u>68,503</u>
Total Current Assets	<u>2,868,467</u>	<u>2,494,372</u>
PROPERTY AND EQUIPMENT		
Land, Buildings, and Equipment	285,890	265,565
Less: Accumulated Depreciation	<u>165,936</u>	<u>126,377</u>
Total Property and Equipment	<u>119,954</u>	<u>139,188</u>
TOTAL ASSETS	<u>\$2,988,421</u>	<u>\$2,633,560</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 38,782	\$ 52,651
Accrued Payroll Expenses	<u>888,143</u>	<u>627,782</u>
Total Current Liabilities	926,925	680,433
NET ASSETS		
Without Donor Restrictions	<u>2,061,496</u>	<u>1,953,127</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,988,421</u>	<u>\$2,633,560</u>

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

1ST KIDS, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2020 AND 2019

	Without Donor Restrictions <u>2020</u>	Without Donor Restrictions <u>2019</u>
REVENUES, GAINS, AND OTHER SUPPORT		
System Point of Entry Grant	\$6,034,851	\$5,315,573
Eligibility Determination	2,023,477	1,785,577
Donations	00	16
In-Kind Revenue	30,351	22,231
Other Revenue	<u>11,064</u>	<u>5,451</u>
Total Revenues, Gains, and Other Support	<u>8,099,743</u>	<u>7,128,848</u>
EXPENSES AND LOSSES		
Program Services	7,805,800	6,760,612
Management and General	<u>185,574</u>	<u>145,864</u>
Total Expenses and Losses	<u>7,991,374</u>	<u>6,906,476</u>
CHANGE IN NET ASSETS	108,369	222,372
NET ASSETS – Beginning of Year	<u>1,953,127</u>	<u>1,730,755</u>
NET ASSETS – End of Year	<u>\$2,061,496</u>	<u>\$1,953,127</u>

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

1ST KIDS, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2020

	Program <u>Services</u>	Management <u>& General</u>	Total <u>Expenses</u>
SALARIES AND RELATED EXPENSES			
Salaries	\$4,130,529	\$105,911	\$4,236,440
Payroll Taxes	283,251	7,263	290,514
Payroll Benefits	<u>496,023</u>	<u>12,718</u>	<u>508,741</u>
Total Salaries and Related Expenses	4,909,803	125,892	5,035,695
EXPENSES			
Professional Fees	2,088,421	19,470	2,107,891
Insurance	50,165	2,640	52,805
Travel	159,293	8,384	167,677
Occupancy	253,975	13,367	267,342
Eligibility Team Scheduling	89,235	4,697	93,932
Supplies	107,255	5,645	112,900
Postage, Phone, and Shipping	104,107	5,479	109,586
Gain on Asset Disposal	393	00	393
Depreciation	<u>43,153</u>	<u>00</u>	<u>43,153</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$7,805,800</u>	<u>\$185,574</u>	<u>\$7,991,374</u>

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

1ST KIDS, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2019

	Program <u>Services</u>	Management <u>& General</u>	Total <u>Expenses</u>
SALARIES AND RELATED EXPENSES			
Salaries	\$3,536,074	\$ 77,426	\$3,613,500
Payroll Taxes	261,252	5,604	266,856
Payroll Benefits	<u>460,209</u>	<u>9,872</u>	<u>470,081</u>
Total Salaries and Related Expenses	4,257,535	92,902	4,350,437
EXPENSES			
Professional Fees	1,760,695	16,345	1,777,040
Insurance	42,087	2,215	44,302
Travel	177,672	9,351	187,023
Occupancy	242,431	12,760	255,191
Eligibility Team Scheduling	69,833	3,675	73,508
Supplies	54,866	2,888	57,754
Postage, Phone, and Shipping	108,855	5,728	114,583
Interest Expense	43	00	43
Gain on Asset Disposal	4,283	00	4,283
Depreciation	<u>42,312</u>	<u>00</u>	<u>42,312</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$6,760,612</u>	<u>\$145,864</u>	<u>\$6,906,476</u>

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

1ST KIDS, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 108,369	\$ 222,372
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	43,153	42,312
Loss on Disposal of Asset	109	4,283
(Increase) Decrease in:		
Grants Receivable	(872,478)	288,619
Eligibility Determination Receivable	(14,049)	(1,127)
Prepaid Expenses	23,540	(11,252)
Increase (Decrease) in:		
Accounts Payable	(13,869)	(104,933)
Accrued Payroll Expenses	<u>260,361</u>	<u>60,783</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(464,864)	501,057
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of Property and Equipment	<u>(24,028)</u>	<u>(36,986)</u>
NET INCREASE (DECREASE) IN CASH	(488,892)	464,071
CASH- Beginning of Year	<u>1,518,243</u>	<u>1,054,172</u>
CASH- End of Year	<u>\$1,029,351</u>	<u>\$1,518,243</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH PAID DURING THE YEAR FOR:		
Interest	\$ <u>00</u>	\$ <u>43</u>

The accompanying notes are in integral part of the financial statements.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

1st Kids, Inc. ("the Organization") is the point of entry for the State of Indiana's ("State") First Steps program. First Steps is the State's early intervention system. The program serves families with infants and toddlers from birth to age three who are experiencing developmental delays or have a diagnosed condition that has a high probability of resulting in a development delay.

The Organization serves 35 counties in Northern Indiana through four geographically based clusters. The Cluster A office is located in Crown Point and serves seven counties. The Cluster B office is located in Elkhart and serves ten counties. The Cluster C office is located in Fort Wayne and serves seven counties. The Cluster D office is located in Lafayette and serves eleven counties.

The Organization provides sixteen direct services and therapy through the First Steps program. It also administers eligibility determination for the program which is performed by independent providers.

The Organization's primary source of revenue is government grants provided by the U.S. Department of Education through its pass-through, the Indiana Family and Social Services Administration.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, which is used for both income tax and financial reporting purposes.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 estimates.

Basis of Presentation

The Organization records resources for accounting and reporting purposes based on the existence or absence of donor-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 certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor-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 that resources be maintained in perpetuity.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Contributions

The Organization records unconditional promises to give as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. The Organization recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

Cash

Cash, as presented on the accompanying balance sheets and statements of cash flows, includes cash on hand and deposits in interest bearing and non-interest bearing accounts in financial institutions.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management considers receivables to be past due after being outstanding for more than 30 days. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The valuation allowance and bad debt expense was \$0 and \$0 for the years ended, March 31, 2020 and 2019.

Property and Equipment

Property, equipment, and improvements are carried at cost. Depreciation expense is computed using straight-line and accelerated methods over the estimated useful life of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss resulting from the transactions is recognized as income for the period. The cost of repairs and maintenance is charged to income as incurred; significant renewals and betterments are capitalized. The depreciation expense for the years ended March 31, 2020 and 2019 was \$43,153 and \$42,312, respectively.

Revenue Recognition

Contributions - The Organization receives contributions to support operating activities. The Organization records contributions receivable, net of allowances for estimated uncollectible amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. The Organization's government grants that are non-exchange transactions are recorded once all conditions are met.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Exchange Transactions – The Organization has multiple revenue streams that are accounted for as exchange transactions including grants and service fees. Grants are awarded for a specified time period and are paid out on a reimbursement basis. Revenues related to grant contracts are not considered earned until the Organization incurs and pays the related expenditure. The Eligibility Determination contract is a revenue source driven by service fees. Clients of the Organization are seen by professional contractors and those contractors are reimbursed by the Organization. Revenue is recognized by the Organization after the service has been provided. They are reimbursed the balances charged by the contractor plus an additional amount to cover related administrative costs.

Financial Instruments and Credit Risk

The Organization is a non-for-profit housing agency operating primarily in Northern Indiana. As such, the Organization's accounts receivable are from organizations within the same geographic region. The receivables are unsecured, as is common industry practice. Unsecured accounts receivable was \$1,794,153 and \$907,626 for the years ended March 31, 2020 and 2019, respectively.

Noninterest-bearing transaction accounts are not fully insured by the Federal Deposit Insurance Corporation (FDIC). At March 31, 2020, the Organization had \$532,696 in interest and noninterest-bearing accounts at financial institutions in excess of the FDIC insured level of \$250,000. The amount of potential exposure is computed based on the bank statement balance at March 31, 2020, and is not adjusted for outstanding checks and other in-transit items reflected in the Organization's records.

Income Taxes

1st Kids, Inc. is a not-for-profit corporation organized under the laws of the State of Indiana. The Internal Revenue Service has ruled that the Organization qualifies under Section 501(c)(3) of the Internal Revenue Code and is therefore not subject to tax under present income tax laws. The Organization is not considered to be a private foundation.

Uncertain Income Tax Positions

The Organization adopted the provisions of standards relating to uncertain tax positions. When applicable, changes in benefits arising from current and prior tax positions taken by the Organization are recognized in the period in which the change occurs. Changes resulting from settlements with taxing authorities are recognized in the period that settlement occurs. Reductions in unrecognized tax benefits as a result of a lapse of the applicable statute of limitations are recognized in the period the statute lapses. Projected penalties and interest recognized on tax positions where it is reasonably possible that the Organization's tax position will not prevail in a review by taxing authorities is recognized as part of current period income tax expense. Management believes that the current and three prior tax periods remain subject to examination by taxing jurisdictions.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Functional Expense Allocation Methodology

Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Those expenses include payroll expense, professional fees, insurance, occupancy, and office expenses. The Executive Director and manager's payroll expense is allocated based on estimate of time.

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in its checking accounts.

To address unanticipated liquidity needs, the Organization has a committed line of credit of \$75,000 which it could draw upon. The Organization has no board designated net assets or donor restrictions that would prevent the use of amounts available to be used for current operations.

NOTE 2 - ACCOUNTING PRONOUNCEMENT ADOPTED

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaces most existing revenue recognition guidance in U.S. GAAP. The goal of ASU 2014-09 is to improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. The new guidance requires entities to recognize revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has adopted ASU 2014-09 as of April 1, 2019, using the modified retrospective approach which requires cumulative effect adjustment to opening retained earnings be recorded for the effects of revenue recognition on years prior to adoption. Management has determined that application of ASU 2014-09 and subsequent amendments did not have a material effect on the financial statements for years prior to adoption and, therefore, a cumulative effect adjustment is not necessary.

In August 2016, the FASB issued Accounting Standards Update ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adopted ASU 2016-14 as of and for the year ended March 31, 2019 and has adjusted the presentation of these financial statements accordingly.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 3 - AVAILABILITY OF RESOURCES

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

	<u>2020</u>	<u>2019</u>
Cash	\$1,029,351	\$1,518,243
Grants Receivable	1,746,702	874,224
Eligibility Determination Receivable	<u>47,451</u>	<u>33,402</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$2,823,504</u>	<u>\$2,425,869</u>

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions is comprised of undesignated amounts at:

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions	<u>\$2,061,496</u>	<u>\$1,953,127</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Computers	\$118,909	\$109,790
Computer Software	42,257	31,051
Furniture and Fixtures	106,856	106,856
Office Equipment	<u>17,868</u>	<u>17,868</u>
	285,890	265,565
Less: Accumulated Depreciation	<u>165,936</u>	<u>126,377</u>
Total Property and Equipment	<u>\$119,954</u>	<u>\$139,188</u>

NOTE 6 - LINE OF CREDIT

The Organization has a \$75,000 available line of credit with Centier Bank. The interest rate is the prime rate plus 0.50%. The index was 3.25% and 5.50% as of March 31, 2020 and 2019, respectively. The minimum interest rate on the note is 6.00%. The line of credit is secured by all business assets and matures on March 20, 2021. The outstanding obligation was \$0 and \$0 at March 31, 2020 and 2019, respectively. Interest expense was \$0 and \$43 for the years ended March 31, 2020 and 2019, respectively.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 7 - BUILDING LEASES

The Organization rents office space in Crown Point, Indiana from an unrelated party through June 30, 2027. Each July 1st, the Organization is required to pay \$45,000 upfront plus a monthly rental amount. When the lease started in fiscal 2018, monthly rent was \$3,000. In subsequent years, monthly rent increases by \$200 annually until July 2022 when monthly rent will be \$4,000. The monthly rental rate will remain at that amount until the lease terminates on June 30, 2027. Rent expense was \$85,200 and \$81,000 for the years ended March 31, 2020 and 2019, respectively.

The Organization rents office space in Elkhart, Indiana from an unrelated party. The lease is month-to-month and monthly rent was \$4,624. Rent expense was \$55,485 and \$52,730 for the years ended March 31, 2020 and 2019, respectively.

The Organization rents office space in Fort Wayne, Indiana from an unrelated party through December 31, 2025. Monthly rent is \$4,947 through January 1, 2022. Beginning January 1, 2022, rent will increase to \$5,034 and the monthly rate will remain at that amount until the lease terminates on December 31, 2025. Rent expense was \$61,346 and \$61,016 for the years ended March 31, 2020 and 2019, respectively.

The Organization rents office space in Lafayette, Indiana from an unrelated party. The lease is month-to-month and monthly rent was \$2,631. Rent expense was \$35,518 and \$35,518 for the years ended March 31, 2020 and 2019, respectively.

Future minimum rental payments for the remainder of the leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
March 31, 2021	\$ 202,451
March 31, 2022	\$ 207,166
March 31, 2023	\$ 210,347
March 31, 2024	\$ 153,407
March 31, 2025	\$ 153,407

NOTE 8 - CONTRIBUTED FACILITY USAGE

The Organization uses office space in Marion, Indiana. The State of Indiana is leasing the space and allows the Organization to use it at no charge. In return for not charging rent, the State of Indiana reduced the System Point of Entry grant by a fair market rental factor for the space being used. The Organization records the fair market rental factor as in-kind revenue and occupancy expense. The Organization used the Marion office space for all of fiscal 2020 and 2019. The monthly fair market rent was \$1,852. During the years ended March 31, 2020 and 2019, the Organization recorded \$22,231 and \$22,231 as in-kind revenue and in-kind occupancy expense, respectively.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 9 - COPIER LEASE

The Organization is leasing copiers on a month-to-month basis. The base amount is \$3,476 per month through August 2019, plus overages and personal property taxes. The base amount from September 2019 through March 2020 was \$2,780. The total expense was \$37,142 and \$48,202 for the years ended March 31, 2020 and 2019, respectively.

NOTE 10 - CONCENTRATION OF REVENUE

During the years ended March 31, 2020 and 2019, the Organization received 74.5% and 74%, respectively, of its revenue from its System Point of Entry grant which is from the Indiana Family and Social Services Administration. No determination as to the effect on the financial statements should funding cease.

NOTE 11 - RETIREMENT PLAN

The Organization maintains a 403(b) Tax Deferred Annuity Plan covering all employees that have completed one year of service and have attained age 21. Employees may elect to defer compensation up to current federal limits. Employer contributions to the Plan are made at the discretion of the Board of Directors. Employer contribution expense for the years ended March 31, 2020 and 2019 were \$67,413 and \$61,960, respectively.

NOTE 12 - SUBSEQUENT EVENTS

In December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, despite efforts to contain the virus in China that included widespread shutdowns of cities and businesses, the number of those infected grew significantly, and beyond China's borders. During 2020, the coronavirus has spread worldwide. The virus continues to spread in the United States and it affects business operations, supply chains, business and leisure travel, commodity prices, consumer confidence and business sentiment, and as companies consider the impact on their businesses of employees working from home and consumers avoiding air travel, stores, restaurants, sports events and other venues, most businesses and industry sectors will be affected. The coronavirus outbreak is still evolving and its effects on the Organization cannot be reasonably determined.

1ST KIDS, INC.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

NOTE 12 - SUBSEQUENT EVENTS CONTINUED

The Organization received \$858,250 in proceeds in April 2020 from the Small Business Administration's (SBA) Paycheck Protection Program which was a result of the coronavirus (COVID-19) outbreak in the United States. The Paycheck Protection Program is a loan designed to provide an incentive for small businesses to keep workers on the payroll. The SBA will forgive loans if all employees are kept on the payroll for the covered period after receiving the proceeds or through December 31, 2020, if earlier and the funds are used for payroll, rent, mortgage interest, or utilities. The Organization may elect to use an eight-week or a twenty-four week covered period (or through December 31, 2020, whichever is earlier.) At least 60% of the forgiven amount must be used for payroll. Forgiveness will be reduced if full-time headcounts decline or if salaries and wages decrease. The loan has a maturity of two years and an interest rate of 1%. The loan required no collateral or personal guarantees. As of the date of the report, management expects to receive full forgiveness of its loan.

Subsequent events have been evaluated through December 21, 2020, the date the financial statements were available for issuance.