Connections for Independent Living

Financial Statements
September 30, 2020 and 2019

Connections for Independent Living

Contents

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Independent Auditor's Report

Board of Directors
Connections for Independent Living
Greeley, Colorado

Opinion

We have audited the financial statements of Connections for Independent Living (the Organization), which comprise the statements of financial position as of September 30, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization 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.

Emphasis of Matter

The COVID-19 outbreak in 2020 (see Note 7) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 the Foundation'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 the Foundation'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.

BDO USA, LLP

June 25, 2021

Connections for Independent Living

Statements of Financial Position

September 30,		2020		2019
Assets				
Current assets				
Cash and cash equivalents	$	**340,815**	$	481,463
Investment		**5,664**		345,164
Grants receivable		**53,982**		77,733
Service fees receivable, net		**139,090**		81,331
Prepaid expenses and other assets		**456**		-
Total current assets		**540,007**		985,691
Property and equipment				
Land		**70,600**		70,600
Building and improvements		**638,644**		637,428
Furniture and equipment		**69,618**		35,691
Accumulated depreciation		**(181,492)**		(156,792)
Total property and equipment, net		**597,370**		586,927
Total assets	$	**1,137,377**	$	1,572,618
Liabilities and net assets				
Current liabilities				
Accounts payable	$	**25,082**	$	37,719
Accrued wages payable		**10,887**		27,714
Accrued compensated absences		**50,706**		22,114
Other accrued liabilities		**-**		-
Total current liabilities		**86,675**		87,547
Total liabilities		**86,675**		87,547
Commitments and contingencies				
Net assets				
Undesignated		**453,332**		898,144
Net investment in property and equipment		**597,370**		586,927
Net assets without donor restrictions		**1,050,702**		1,485,071
Total net assets		**1,050,702**		1,485,071
Total liabilities and net assets	$	**1,137,377**	$	1,572,618

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Activities

Years Ended September 30,	2020 Without Donor Unrestricted	2019 Without Donor Unrestricted
Revenues and gains		
Program service fees	$ 438,468	$ 312,509
In-kind donations	7,724	44,220
Grants and contributions	822,833	673,632
Investment income, net	4,862	5,018
Special events, net	555	6,052
Miscellaneous	1,200	788
Total revenues and gains	1,275,642	1,042,219
Expenses		
Program services		
Independent living	945,184	371,323
Community transitions	7,664	65,247
Housing and urban development	64,320	46,084
Interpreter services	518,020	217,113
Total program services	1,535,188	699,767
Supporting services		
Management and general	173,654	312,329
Fundraising	1,169	41,905
Total support services	174,823	354,234
Total expenses	1,710,011	1,054,001
Change in net assets	(434,369)	(11,782)
Net assets at beginning of year	1,485,071	1,496,853
Net assets at end of year	$ 1,050,702	$ 1,485,071

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Cash Flows

Years Ended September 30,	2020	2019
Cash flow from operating activities		
Change in net assets	**$ (434,369)**	$ (11,782)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	**24,700**	19,442
Bad Debt	**71,391**	9,603
(Increase) decrease in operating assets:		
Service fees receivable	**(129,150)**	(83,427)
Grants receivable	**23,751**	24,834
Prepaid expenses and other assets	**(456)**	25,510
Increase (decrease) in operating liabilities:		
Accounts payable	**(12,637)**	22,357
Accrued expenses	**11,765**	(10,303)
Other accrued liabilities	**-**	(64,051)
Net cash flows from operating activities	**(445,005)**	(67,817)
Cash flows from investing activities		
Redemption of certificates of deposit	**344,362**	-
Re-invested Interest on certificates of deposit	**(4,862)**	(5,018)
Purchase of property and equipment	**(35,143)**	-
Net cash flows from investing activities	**304,357**	(5,018)
Change in cash and cash equivalents	**(140,648)**	(72,835)
Cash and cash equivalents at beginning of year	**481,463**	554,298
Cash and cash equivalents at end of year	**$ 340,815**	$ 481,463

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Functional Expenses

	Year Ended September 30, 2020								
	Program Services					Supporting Services			
	Independent Living	Community Transitions	Housing and Urban Development	Interpreter Services	**Total Program Services**	Management and General	Fund - Raising	**Total Support Services**	**Total Expenses**
Personnel expenses	$ 714,378	$ -	$ 56,855	$ 149,474	$ 920,707	$ 48,529	$ -	$ 48,529	$ 969,236
Professional fees	112,347	-	-	10,671	123,018	64,405	-	64,405	187,423
In-kind donations	-	-	-	-	-	150	-	150	150
Supplies	32,633	6,151	3,178	542	42,504	33,949	1,169	35,118	77,622
Telephone	6,238	461	-	2,758	9,457	1,844	-	1,844	11,301
Postage and shipping	1,427	1	537	113	2,078	102	-	102	2,180
Insurance	18,357	-	-	-	18,357	4,482	-	4,482	22,839
Repairs and maintenance	21,864	-	-	74	21,938	905	-	905	22,843
Printing and publications	1,306	-	-	-	1,306	353	-	353	1,659
Travel	3,469	-	177	28,631	32,277	292	-	292	32,569
Training and education	1,320	-	450	-	1,770	-	-	-	1,770
Specific assistance to individuals	-	400	-	-	400	-	-	-	400
Bad debt	-	-	-	71,391	71,391	-	-	-	71,391
Miscellaneous	12,596	57	27	3,098	15,778	8,994	-	8,994	24,772
Utilities	4,580	-	-	-	4,580	833	-	833	5,413
Rent	-	300	2,175	-	2,475	-	-	-	2,475
Interpreter expenses	-	-	-	251,268	251,268	-	-	-	251,268
Total expenses before depreciation	930,515	7,370	63,399	518,020	1,519,304	164,838	1,169	166,007	1,685,311
Depreciation	14,669	294	921	-	15,884	8,816	-	8,816	24,700
Total expenses	$ 945,184	$ 7,664	$ 64,320	$ 518,020	$ 1,535,188	$ 173,654	$ 1,169	$ 174,823	$ 1,710,011

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Functional Expenses

	Year Ended September 30, 2019								
	Program Services					Supporting Services			
	Independent Living	Community Transitions	Housing and Urban Development	Interpreter Services	Total Program Services	Management and General	Fund - Raising	Total Support Services	Total Expenses
Personnel expenses	$ 218,021	$ 60,732	$ 44,120	$ 53,319	$ 376,192	$ 292,444	$ -	$ 292,444	$ 668,636
Professional fees	55,588	-	-	-	55,588	7,298	-	7,298	62,886
In-kind donations	-	-	-	-	-	3,988	40,232	44,220	44,220
Supplies	14,450	1,480	-	33	15,963	277	1,585	1,862	17,825
Telephone	5,864	54	-	387	6,305	-	-	-	6,305
Postage and shipping	2,227	-	-	-	2,227	21	-	21	2,248
Insurance	15,730	2	-	-	15,732	-	-	-	15,732
Repairs and maintenance	14,757	-	-	-	14,757	1,441	-	1,441	16,198
Printing and publications	2,765	-	-	289	3,054	-	-	-	3,054
Travel	6,744	96	994	36,593	44,427	221	88	309	44,736
Training and education	120	-	-	-	120	-	-	-	120
Specific assistance to individuals	48	2,585	-	-	2,633	-	-	-	2,633
Bad debt	-	-	-	9,603	9,603	-	-	-	9,603
Miscellaneous	10,248	60	228	1,155	11,691	-	-	-	11,691
Utilities	10,463	-	-	-	10,463	-	-	-	10,463
Rent	2,475	-	-	-	2,475	-	-	-	2,475
Interpreter expenses	-	-	-	115,734	115,734	-	-	-	115,734
Total expenses before depreciation	359,500	65,009	45,342	217,113	686,964	305,690	41,905	347,595	1,034,559
Depreciation	11,823	238	742	-	12,803	6,639	-	6,639	19,442
Total expenses	$ 371,323	$ 65,247	$ 46,084	$ 217,113	$ 699,767	$ 312,329	$ 41,905	$ 354,234	$ 1,054,001

See accompanying notes to the financial statements.

1. Summary of Significant Accounting Policies

Organization

Connections for Independent Living (the "Organization") was incorporated on February 11, 1988, under the laws of the State of Colorado and is a nonprofit organization providing assistance and support to individuals with disabilities. The Organization provides services to the following Colorado counties: Weld, Yuma, Washington, Larimer, Sedgwick, Logan, Phillips, and Morgan. A staff of professionals and volunteers provide advocacy, peer counseling, independent living, skills training, sign language interpreters, and information and referral services. The Organization's business office is located in Greeley, Colorado.

The Organization's major programs are described below:

Independent Living: The Organization has five core independent living services:

Peer Support: Staff members who have disabilities provide support, teaching, and information sharing with participants to help in overcoming barriers, handling the stresses of having a disability, and sharing resources helpful in maintaining independence.

Information and Referral: Information and referral services to all individuals who need help finding the appropriate community support.

Individual and Systems Advocacy: The Organization not only advocates for individuals, but also works to eliminate physical and attitudinal barriers in the community.

Independent Living Skills Training: Instruction to develop independent living skills in areas such as personal care, coping, budgeting, and social skills.

Transition: Staff assists in identifying resources and support systems that allow individuals to relocate from nursing homes to an independent life in the community at large.

Housing and Urban Development: The Organization provides Housing Choice Vouchers as a subcontractor for the Division of Housing and maintains an affordable housing list for people with disabilities.

Community Transitions: Disability expertise is provided to the High Plains Library District and the City of Greeley. Specifically, with respect to the City of Greeley, the Organization routinely provides advice for the Adaptive and Inclusive Recreation Program. The Organization is also available to any other agencies that request expertise.

Interpreter Services: Provide, on a fee for service basis, sign language interpreting for individuals who are hearing impaired. Fees are paid by the business utilizing the service, as an accommodation under the Americans with Disabilities Act ("ADA").

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"), as promulgated in the Financial Accounting Standards Board ("FASB") publication, *FASB Accounting Standards Codification™ ("FASB Codification").*

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Investments

Investment purchases are initially recorded at cost, or if donated, at their fair value on the date of donation. At September 30, 2020 and 2019, investments consist of certificates of deposit with original maturities in excess of three months, and money market funds held for long-term purposes. Certificates of deposit and money market funds are reported at their fair values in the Statements of Financial Position.

Fair Value Measurements

The FASB Codification establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities;

- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data;

- Level 3 – Unobservable inputs are used when little or no market data is available.

In determining fair value, the Organization utilizes greatest valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Financial Instruments and Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash, certificates of deposit, money market funds and receivables.

Cash and cash equivalents and certificates of deposit are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. The Organization had approximately, $0 and $201,000 amounts on deposit in excess of federally insured limits at September 30, 2020 and 2019, respectively.

Grants Receivable

Grants received from an unconditional promise to give that are expected to be collected within one year are recorded at net realizable value, which approximates fair value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value, which is measured as the present value of their expected future cash flows. As there are no long-term promises to give, no present value discount was recorded for September 30, 2020 and 2019. Conditional promises to give are not included as support until the conditions are sustainably met.

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization’s estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the Organization’s estimate of the allowance for doubtful accounts will change. The Organization has determined that no allowance is necessary as of September 30, 2020 and 2019.

Service Fees Receivable

Accounts receivable from service fees are reported at their net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance was considered necessary as of September 30, 2020 or 2019.

Property and Equipment

All property and equipment with an estimated useful life of greater than one year and a unit cost of $5,000 or greater are capitalized and depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Description	Estimated lives
Building and improvements	15-40 years
Furniture and equipment	5-10 years

Maintenance and repairs are charged to expense as incurred. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in change in net assets.

Long-Lived Assets

The Organization periodically reviews long-lived assets, including identifiable intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization evaluates the recoverability of its long-lived assets based on estimated undiscounted future cash flows and provides for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the long-lived asset. If impaired, the long-lived asset is written down to its estimated fair value. No events have occurred which indicate the carrying amount of the Organization’s long-lived assets may not be recoverable.

Revenue Recognition

Grants and contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the existence and nature of the donor restrictions. All grants and contributions are considered to be net assets without donor restrictions unless specifically restricted by the donor. Net assets are reclassified to net assets without donor restrictions in the period in which donor restrictions expire. Restrictions expire when purpose restrictions are fulfilled or at the time restriction expires. Net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions in the period in which the donor restrictions expire.

Grants and contributions are recorded when cash or unconditional promises to give have been received or ownership of the donated asset to be used directly in operations is transferred to the charity. There were no conditional grants or contributions at year end.

Program service fee revenue and all other revenue is recorded when services have been performed or assets have been delivered.

In-Kind Donations

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

Donated services are recognized at their fair market value when received if those services create or enhance nonfinancial assets or when services are provided by those possessing the specialized skills required to perform the services and that would typically need to be purchased if not otherwise donated.

Income Taxes and Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified by the Internal Revenue Service as a nonprofit organization other than a private foundation. However, income from activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. There was no income from business unrelated to the Organization’s exempt purpose during the years ended September 30, 2020 and 2019.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state and local, U.S. income tax examinations by tax authorities for fiscal years before 2018.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are presented on a functional basis in the Statements of Functional Expenses. Certain categories of expenses are attributable to program expense or one or more supporting functions. Those expenses include but are not limited to salaries, payroll taxes, benefits and professional fees. These expenses are allocated to program, general and administrative, and fundraising functions based on their utility of time and cost to each class. Other allocated costs include rent, utilities, depreciation, telephone, insurance, repairs and maintenance which is allocated based on square footage.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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, and such differences could be material.

Recently Adopted Accounting Pronouncements

In June of 2018, the FASB issued ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The new guidance aid in the classification of contributions and exchange transactions. For all non-public organizations the new guidance is effective for fiscal years beginning after December 15, 2019 and interim period with fiscal years beginning after December 15, 2020. Management has adopted ASU 2014-19 as of October 1, 2019 and the ASU has been applied und the modified retrospective method and the adoption of this standard did not have a material impact on the financial statements.

Recently Issued Accounting Pronouncements

In May of 2014, the FASB issued ASU 2014-09, Topic 606, *Revenue from Contracts with Customer*. ASU 2014-09 for nonpublic entities should be applied for entities with an annual reporting period beginning after December 15, 2019. Early adoption is permitted beginning after December 15, 2016. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In February of 2016, the FASB issued ASU 2016-02, Topic 842, *Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2020 and interim period with fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adoption of this standard on its financial statements.

2. Availability of Resources and Liquidity

The Organization's goal is generally to maintain financial assets to meet 12 months of operating expenses as of each calendar year end. Total financial assets available as of September 30, 2020 approximate 4 months of expenses. Additionally, as further described in Note 7, *Risks and Uncertainties*, the COVID-19 outbreak adds uncertainty as to the impact on the Organization's future funding.

	2020	**2019**
Cash and cash	**$ 340,815**	$ 481,463
equivalents Investments	**5,664**	345,164
Service fees receivable	**139,090**	81,331
Grants receivable	**53,982**	77,733
year	**$ 539,551**	$ 985,691

3. Fair Value Disclosures

Assets measured at fair value on a recurring basis have been categorized into a hierarchy based on the observable and unobservable inputs used to measure fair value:

		Assets at Fair Value as of September 30, 2020			
		Level 1	Level 2	Level 3	Total
Description					
Money market	(2)	**$ 5,664**	**$ -**	**$ -**	**$ 5,664**
Total		**$ 5,664**	**$ -**	**$ -**	**$ 5,664**

		Assets at Fair Value as of September 30, 2019			
		Level 1	Level 2	Level 3	Total
Description					
Certificates of deposit	(1)	$ -	$ 257,363	$ -	$ 257,363
Money market	(2)	87,801	-	-	87,801
Total		$ 87,801	$ 257,363	$ -	$ 345,164

(1) The fair values of certificates of deposits are based on current interest rates for instruments with similar characteristics, as estimated by the custodians of the securities. Management has determined that the pricing models utilized by the custodians provide reasonable estimations of the fair values of the certificates of deposits.

(2) Money market funds are a cash equivalents held for long-term purposes with carrying amounts which approximate fair value.

4. Pension Plan

The Organization established a Section 403(b) Retirement Plan for all eligible employees. All employees are eligible to participate in this plan after one full year of service or 1,000 hours. Full-time employees are eligible for up to a maximum of 4% of the employee's compensation. The Organization contributed $5,643 and $11,842 to employee accounts for the years ended September 30, 2020 and 2019, respectively.

5. Leases

The Organization leases office space under an operating lease agreement with a term expiring March 1, 2019 and was not renewed. The lease expense for the years ended September 30, 2019 was $2,475 and is included in rent expense on the statement of functional expenses.

6. Concentrations

The following table presents concentrations of grants receivables and revenue as of, and for the years ended, September 30, 2020 and 2019. There were no concentrations of program service fee revenue or receivables.

Years Ended September 30,	2020	2019
Revenue and support		
State of Colorado grants	**53%**	57%
Federal grants	**10%**	6%
Accounts receivable		
University of Northern Colorado	**42%**	**60%**
Medical Center of the Rockies	**23%**	**0%**
Grants recievable		
State of Colorado grants	**100%**	100%

7. Risks and Uncertainties

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization ("WHO"), has caused business disruptions in a variety of industries, markets and geographic regions. As a result of the spread of the COVID-19, public events and the Organization's activities have been limited and subject to economic uncertainty. On January 30, 2020, the WHO announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China ("COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The adverse economic effects of the COVID-19 outbreak have not materially decreased demand for the Organization's services but have the potential to do so based on the restrictions in place by governments trying to curb the outbreak and changes in consumer behavior. The Organization has analyzed the current expense structure of the business to ensure any expenses which are not deemed necessary to maintain current operations are eliminated or reduced improve cash flows.

While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity in the future.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

On April 20, 2020, the Organization received CARES Act funding, to support, prevent, prepare for and respond to COVID-19, as outlined in the Coronavirus Preparedness and Response Supplemental Appropriations Act, 202. Additionally, as provided for in the Office of Management and Budget Memorandum M.20-11 – Administrative Relief for Recipients and Applicants of Federal Assistance Directly Impacted by the COVID-19, Administration for Community Living authorizes recipients to incur pre-award cost prior to the effective date of the award dating back to January 20, 2020.

8. Subsequent Events

The Organization has evaluated subsequent events through June 25, 2021, which is the date the financial statements were available to be issued.

On February 12, 2021, the Organization received loan proceeds in the amount of $178,419 under the Paycheck Protection Program. The PPP Loans are evidenced by promissory note in favor of the lender, which bears interest at the rate of 1.00% per annum. No payments of principal or interest is due under the note until the date on which the amount of loan forgiveness (if any) under the CARES Act, which could be up to 10 months after the end of the related notes covered period (which is defined as 24 weeks after the date of the loan) (the "Deferral Period"). The note can be prepaid at any time prior to the maturity with no prepayment penalties.