

Salt Lake City Bicycle Collective

Financial Statements

And

Independent Auditor's Report

Years Ended December 31, 2019 and 2018



Salt Lake City Bicycle Collective

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Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Salt Lake City Bicycle Collective
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Salt Lake City Bicycle Collective (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Salt Lake City Bicycle Collective as of December 31, 2019 and 2018, 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.

Bountiful Peak Advisors

Bountiful, Utah
October 24, 2020

Salt Lake City Bicycle Collective

Statements of Financial Position

December 31, 2019 and 2018

| ASSETS | <u>12/31/2019</u> | <u>12/31/2018</u> |
|---|---------------------|-------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 291,597 | \$ 219,852 |
| Accounts and contributions receivable, current portion | 1,101,310 | 8,544 |
| Deposits | <u>2,000</u> | <u>2,000</u> |
| Total current assets | <u>1,394,907</u> | <u>230,396</u> |
| Fixed assets, at cost | | |
| Land | 24,843 | 24,843 |
| Building | 117,999 | 117,999 |
| Vehicles | 8,400 | 8,400 |
| Construction in progress | <u>31,658</u> | <u>-</u> |
| | 182,900 | 151,242 |
| Less: accumulated depreciation | <u>(18,360)</u> | <u>(13,367)</u> |
| Net fixed assets | <u>164,540</u> | <u>137,875</u> |
| Accounts and contributions receivable, net of current portion | <u>75,000</u> | <u>-</u> |
| Total assets | <u>\$ 1,634,447</u> | <u>\$ 368,271</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ - | \$ - |
| Accrued liabilities | <u>27,200</u> | <u>36,942</u> |
| Total current liabilities | <u>27,200</u> | <u>36,942</u> |
| Net assets | | |
| Without donor restrictions | 307,247 | 331,329 |
| With donor restrictions | <u>1,300,000</u> | <u>-</u> |
| Total net assets | <u>1,607,247</u> | <u>331,329</u> |
| Total liabilities and net assets | <u>\$ 1,634,447</u> | <u>\$ 368,271</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Activities Year Ended December 31, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|--|---------------------|
| REVENUES AND SUPPORT | | | |
| Public support | | | |
| In-kind contributions | \$ 337,130 | \$ - | \$ 337,130 |
| Contributions | 199,491 | 1,300,000 | 1,499,491 |
| Donated rent | 64,185 | - | 64,185 |
| Fundraising events | <u>35,753</u> | <u>-</u> | <u>35,753</u> |
| Total public support | <u>636,559</u> | <u>1,300,000</u> | <u>1,936,559</u> |
| Revenues | | | |
| Bike sales | 581,070 | - | 581,070 |
| Valet bike parking | 21,004 | - | 21,004 |
| Other income | 660 | - | 660 |
| Interest income | <u>6</u> | <u>-</u> | <u>6</u> |
| Total revenues | <u>602,740</u> | <u>-</u> | <u>602,740</u> |
| Total public support and other revenues | <u>1,239,299</u> | <u>1,300,000</u> | <u>2,539,299</u> |
| EXPENSES | | | |
| Program services | 1,110,449 | - | 1,110,449 |
| Management and general | 73,782 | - | 73,782 |
| Fundraising | <u>79,150</u> | <u>-</u> | <u>79,150</u> |
| Total expenses | <u>1,263,381</u> | <u>-</u> | <u>1,263,381</u> |
| Change in net assets | (24,082) | 1,300,000 | 1,275,918 |
| Net assets, beginning of year | <u>331,329</u> | <u>-</u> | <u>331,329</u> |
| Net assets, end of year | <u>\$ 307,247</u> | <u>\$ 1,300,000</u> | <u>\$ 1,607,247</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Activities

Year Ended December 31, 2018

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|--|-------------------|
| REVENUES AND SUPPORT | | | |
| Public support | | | |
| In-kind contributions | \$ 258,560 | \$ - | \$ 258,560 |
| Contributions | 221,154 | - | 221,154 |
| Donated Rent | 62,316 | - | 62,316 |
| Fundraising | <u>18,796</u> | <u>-</u> | <u>18,796</u> |
| Total public support | <u>560,826</u> | <u>-</u> | <u>560,826</u> |
| Other revenues | | | |
| Bike sales | 658,774 | - | 658,774 |
| Valet bike parking | 18,139 | - | 18,139 |
| Interest income | <u>8</u> | <u>-</u> | <u>8</u> |
| Total other revenues | <u>676,921</u> | <u>-</u> | <u>676,921</u> |
| Total public support and other revenues | <u>1,237,747</u> | <u>-</u> | <u>1,237,747</u> |
| EXPENSES | | | |
| Program services | 1,027,927 | - | 1,027,927 |
| Management and general | 79,093 | - | 79,093 |
| Fundraising | <u>40,810</u> | <u>-</u> | <u>40,810</u> |
| Total expenses | <u>1,147,830</u> | <u>-</u> | <u>1,147,830</u> |
| Change in net assets | 89,917 | - | 89,917 |
| Net assets, beginning of year | <u>241,412</u> | <u>-</u> | <u>241,412</u> |
| Net assets, end of year | <u>\$ 331,329</u> | <u>\$ -</u> | <u>\$ 331,329</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Functional Expenses

Year Ended December 31, 2019

| | Program Services | Management and General | Fundraising | Total |
|--|---------------------|---------------------------|-------------|--------------|
| Salaries and wages | \$ 477,398 | \$ 31,209 | \$ 20,365 | \$ 528,972 |
| Payroll taxes | 40,217 | 2,629 | 1,716 | 44,562 |
| Employee benefits | 15,409 | 1,007 | 657 | 17,073 |
| Total salaries, payroll taxes and benefits | 533,024 | 34,845 | 22,738 | 590,607 |
| Bike expense | 337,130 | - | - | 337,130 |
| Rent | 96,971 | 2,020 | 2,020 | 101,011 |
| Distributor supplies | 80,785 | - | - | 80,785 |
| Professional fees | 4,900 | 21,031 | 39,200 | 65,131 |
| Insurance | 3,355 | 12,959 | 70 | 16,384 |
| Utilities | 13,777 | 287 | 287 | 14,351 |
| Fundraising event expenses | - | - | 14,107 | 14,107 |
| Supplies | 11,563 | - | - | 11,563 |
| Information technology | 4,812 | 100 | 100 | 5,012 |
| Advertising | 4,442 | 93 | 93 | 4,628 |
| Telephone | 3,727 | 78 | 78 | 3,883 |
| Repairs and maintenance | 3,019 | 63 | 63 | 3,145 |
| Auto | 2,794 | - | - | 2,794 |
| Bank charges | - | 1,967 | - | 1,967 |
| Dues and subscriptions | 1,634 | 34 | 34 | 1,702 |
| Conferences | 1,603 | 33 | 33 | 1,669 |
| Travel | 712 | 15 | 15 | 742 |
| Postage | 440 | 9 | 9 | 458 |
| Printing | 420 | 9 | 9 | 438 |
| Interest | 333 | 7 | 7 | 347 |
| Licenses and fees | - | 128 | 183 | 311 |
| Miscellaneous | 216 | 4 | 4 | 224 |
| Total expenses before depreciation | 1,105,657 | 73,682 | 79,050 | 1,258,389 |
| Depreciation and amortization | 4,792 | 100 | 100 | 4,992 |
| Total expenses | \$ 1,110,449 | \$ 73,782 | \$ 79,150 | \$ 1,263,381 |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statement of Functional Expenses

Year Ended December 31, 2018

| | Program Services | Management and General | Fundraising | Total |
|--|---------------------|---------------------------|-------------|--------------|
| Salaries and wages | \$ 453,970 | \$ 30,265 | \$ 20,176 | \$ 504,411 |
| Payroll taxes | 36,582 | 2,439 | 1,626 | 40,647 |
| Employee benefits | 3,454 | 230 | 154 | 3,838 |
| Total salaries, payroll taxes and benefits | 494,006 | 32,934 | 21,956 | 548,896 |
| Bike expense | 258,560 | - | - | 258,560 |
| Distributor supplies | 114,939 | - | - | 114,939 |
| Rent | 88,690 | 1,848 | 1,848 | 92,386 |
| Professional fees | - | 40,197 | - | 40,197 |
| Fundraising events | - | - | 15,820 | 15,820 |
| Utilities | 13,705 | 286 | 286 | 14,277 |
| Insurance | 13,030 | 271 | 271 | 13,572 |
| Supplies | 10,703 | - | - | 10,703 |
| Advertising | 6,624 | 138 | 138 | 6,900 |
| Repairs and maintenance | 5,390 | 112 | 112 | 5,614 |
| Information technology | 3,873 | 81 | 81 | 4,035 |
| Auto | 4,019 | - | - | 4,019 |
| Telephone | 3,753 | 78 | 78 | 3,909 |
| Bank charges | - | 2,928 | - | 2,928 |
| Interest | 2,703 | 56 | 56 | 2,815 |
| Postage | 888 | 18 | 18 | 924 |
| Dues and subscriptions | 798 | 17 | 17 | 832 |
| Printing | 685 | 14 | 14 | 713 |
| Licenses and fees | 445 | 9 | 9 | 463 |
| Travel | 306 | 6 | 6 | 318 |
| Conferences | 18 | - | - | 18 |
| Total expenses before depreciation and | 1,023,135 | 78,993 | 40,710 | 1,142,838 |
| Depreciation and amortization | 4,792 | 100 | 100 | 4,992 |
| | \$ 1,027,927 | \$ 79,093 | \$ 40,810 | \$ 1,147,830 |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Statements of Cash Flows Years Ended December 31, 2019 and 2018

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 1,275,918 | \$ 89,917 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 4,992 | 4,992 |
| Changes in current assets and liabilities: | | |
| Accounts and contributions receivable | (1,167,766) | (430) |
| Deposits | - | (2,000) |
| Accounts payable | - | (40) |
| Accrued liabilities | <u>(9,742)</u> | <u>8,366</u> |
| Net cash provided by operating activities | <u>103,402</u> | <u>100,805</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash purchases of fixed assets | <u>(31,657)</u> | <u>(18,625)</u> |
| Net cash used in investing activities | <u>(31,657)</u> | <u>(18,625)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | <u>-</u> | <u>-</u> |
| Net change in cash and cash equivalents | 71,745 | 82,180 |
| Cash and cash equivalents, beginning of year | <u>219,852</u> | <u>137,672</u> |
| Cash and cash equivalents, end of year | <u>\$ 291,597</u> | <u>\$ 219,852</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid for interest | <u>\$ 347</u> | <u>\$ 2,815</u> |
| Cash paid for income taxes | <u>\$ -</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

Salt Lake City Bicycle Collective

Notes to Financial Statements

December 31, 2019 and 2018

1. ORGANIZATION HISTORY

Salt Lake City Bicycle Collective (the “Organization”) was incorporated under the laws of the State of Utah as a nonprofit corporation on April 25, 2002. The Organization received its tax-exempt designation from the IRS in October 2003. The mission of the Organization is to promote cycling as an effective and sustainable form of transportation, recreation, and as a cornerstone of a cleaner, healthier, and safer society. The Organization provides refurbished bicycles and educational program to the community, focusing on children and lower income households. The Organization has locations in Salt Lake, Ogden, Provo, and St. George, Utah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Accounting Standards Codification (ASC) 958, Not-for Profit Entities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Date of Management’s Review

Subsequent events were evaluated through October 24, 2020, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- a. *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- b. *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization’s accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable will be fully collectible.

Fixed Assets and Long-Lived Assets

Fixed assets are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$1,000. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from five to twenty years. Depreciation expense for the years ended December 31, 2019 and 2018 was \$4,992 and \$4,992, respectively.

The Organization reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as measured by a comparison of estimated future cash flows (undiscounted and without interest charges) to the carrying value of the asset. Assets held for sale are written down to their fair value, less cost to sell.

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Contributions

Contributions are recognized when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

In-kind contributions are recorded as support at their estimated fair market value at the date of gift. These contributions are considered to be without donor restrictions unless restricted by the donor. Assets donated with donor-imposed restrictions regarding their use are considered net assets with donor restrictions until the asset is placed in service. In-kind contributions received during the years ended December 31, 2019 and 2018 consisted of the following:

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--------------------|-------------------|-------------------|
| Donated goods | | |
| Bicycles and parts | \$ 313,560 | \$ 235,440 |
| Parts | <u>23,570</u> | <u>23,120</u> |
| | <u>\$ 337,130</u> | <u>\$ 258,560</u> |

In accordance with FASB ASC 958-605-25-16, *Contributed Services*, the Organization recognizes contributed services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, professional fees, occupancy, and depreciation, which are allocated on the basis of estimated time and effort.

Income Taxes

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. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2019, 2018, 2017, and 2016, are subject to examination by the IRS, generally for three years after they were filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist.

Fair Value of Financial Instruments

The Organization has some financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2019 and 2018, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At December 31, 2019 and 2018, the Organization had \$41,075 and \$0, respectively, of uninsured bank deposits. The Organization has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and securities.

For the year ended December 31, 2019, the Organization received approximately 51% of its total revenue from one donor.

In addition, at December 31, 2019, approximately 100% of the accounts receivable was from one donor.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

| | |
|---|--------------------|
| Cash and cash equivalents | \$ 291,597 |
| Accounts receivable | <u>1,176,310</u> |
| Current financial assets, at year end | 1,467,907 |
| Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions | <u>(1,300,000)</u> |
| Current financial assets, at year-end | <u>\$ 167,907</u> |

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also invests cash in excess of daily requirements in savings and money market funds.

4. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Accounts and contributions receivable consist primarily of pledges as of December 31, 2019 and 2018:

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|--------------------|-------------------|
| Accounts receivable | | |
| Amounts expected to be collected in: | | |
| Less than one year | \$ 1,310 | \$ 8,544 |
| Contributions receivable | | |
| Amounts expected to be collected in: | | |
| Less than one year | 1,100,000 | - |
| One to five years | 75,000 | - |
| More than five years | <u>-</u> | <u>-</u> |
| Total accounts and contributions receivable | 1,176,310 | 8,544 |
| Less: current portion of accounts and contributions receivable | <u>(1,101,310)</u> | <u>(8,544)</u> |
| Total long-term accounts and contributions receivable, net | <u>\$ 75,000</u> | <u>\$ -</u> |

5. OPERATING LEASES

The Organization has two long-term leases for the Provo and St. George locations. The lease for Provo expires in May 2022 and requires monthly payments of \$1,400 (that escalate annually each year in June). The lease for the St. George location expires in July 2022 and requires an annual payment of \$1. The Organization owns its Ogden location and its rents is Salt Lake location on a month-to-month basis. Future minimum lease payments under operating leases are as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|------------------|
| 2020 | \$ 18,201 |
| 2021 | 20,601 |
| 2022 | <u>9,001</u> |
| Total | <u>\$ 47,803</u> |

Rent expense for the years ended December 31, 2019 and 2018 was \$101,011 and \$92,386 (\$64,185 and \$62,316 of which was donated related to the St. George location), respectively.

6. COMMITMENTS AND CONTINGENCIES

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have had and are likely to continue to have a negative impact on the Organization. Certain activities the Organization typically uses to accomplish its mission have been disrupted. While the disruption is currently expected to be temporary, there is considerable uncertain around the duration. The related financial impact cannot be reasonably estimated at this time.

7. SUBSEQUENT EVENTS

Subsequent to year end, the Organization was approved for a \$125,717 uncollateralized loan under the Paycheck Protection Program created by the federal government as part of COVID-19 relief efforts. The loan accrues annual interest of 1% and payments are not required to begin for six months after the funding of the loan. The Organization is eligible for forgiveness upon meeting certain requirements.

In addition, the Organization received an EIDL grant in the amount of \$10,000 and a GOED loan in the amount of \$15,000. This loan accrues interest at zero percent and is payable over a five-year period.