



NEW ENGLAND WILDLIFE CENTER, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

LMHS, P.C.

Certified Public Accountants and Advisors

NEW ENGLAND WILDLIFE CENTER, INC.
AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
New England Wildlife Center, Inc.
Weymouth, Massachusetts

We have audited the accompanying financial statements of New England Wildlife Center, Inc. (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.

Auditors' 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 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 present fairly, in all material respects, the financial position of New England Wildlife Center, Inc. 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.

LMHS, P.C.

LMHS, P.C.
Norwell, Massachusetts

November 5, 2020

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 1,347,488	\$ 839,172
Accounts Receivable	28,300	4,826
Pledges Receivable	198,359	399,320
Prepaid Expenses and Other	2,835	12,253
	<u>1,576,982</u>	<u>1,255,571</u>
PROPERTY AND EQUIPMENT, NET	6,242,651	6,389,163
GOODWILL	26,000	26,000
	<u>\$ 7,845,633</u>	<u>\$ 7,670,734</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 14,491	\$ 8,825
Accrued Payroll and Related	18,649	25,646
	<u>33,140</u>	<u>34,471</u>
NET ASSETS:		
Without Donor Restrictions	7,791,807	7,522,023
With Donor Restrictions	20,686	114,240
	<u>7,812,493</u>	<u>7,636,263</u>
	<u>\$ 7,845,633</u>	<u>\$ 7,670,734</u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND OTHER SUPPORT:				
Contributions and Gifts	\$ 844,417	\$ -	\$ 844,417	\$ 465,361
Donations in Kind:				
Land and Building	-	-	-	1,294,900
Skilled Labor	501,111	-	501,111	277,079
Supplies and Equipment	31,659	-	31,659	19,808
Education and Project Fees	75,900	54,125	130,025	59,599
Fundraising Special Events	56,608	-	56,608	26,916
Grants Received	628,300	20,000	648,300	699,750
Investment Income	5	-	5	2
The Odd Pet Vet	415,761	-	415,761	365,849
Net Assets Released from Restrictions	167,679	(167,679)	-	-
Other Income	-	-	-	61,608
Total Revenue and Other Support	2,721,440	(93,554)	2,627,886	3,270,872
EXPENSES:				
Program Services:				
Animal Care and Teaching Hospital	1,654,743	-	1,654,743	1,022,733
Public Education and Information	210,884	-	210,884	370,359
The Odd Pet Vet	255,972	-	255,972	291,869
	2,121,599	-	2,121,599	1,684,961
Supporting Services:				
Fundraising and Development	101,790	-	101,790	255,654
Management and General	228,267	-	228,267	133,791
	330,057	-	330,057	389,445
Total Expenses	2,451,656	-	2,451,656	2,074,406
CHANGES IN NET ASSETS	269,784	(93,554)	176,230	1,196,466
NET ASSETS AT BEGINNING OF YEAR	7,522,023	114,240	7,636,263	6,439,797
NET ASSETS AT END OF YEAR	\$ 7,791,807	\$ 20,686	\$ 7,812,493	\$ 7,636,263

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019							2018	
	Program Services				Supporting Services			Total	Total
	Animal Care and Teaching Hospital	Public Education and Information	The Odd Pet Vet	Total	Fundraising and Development	Management and General	Total		
Salaries	\$ 574,739	\$ 127,194	\$ 137,772	\$ 839,705	\$ 70,463	\$ 157,142	\$ 227,605	\$ 1,067,310	\$ 1,014,365
Employee Benefits	34,078	5,699	7,748	47,525	28	1,325	1,353	48,878	55,621
Payroll Taxes	49,119	10,870	11,774	71,763	6,022	13,430	19,452	91,215	82,583
	657,936	143,763	157,294	958,993	76,513	171,897	248,410	1,207,403	1,152,569
Volunteer Skilled Services	501,111	-	-	501,111	-	-	-	501,111	277,079
Animal Food	109,780	-	-	109,780	-	-	-	109,780	82,869
Bank and Interest Charges	9,694	1,146	1,241	12,081	635	1,416	2,051	14,132	12,423
Education and Educational Supplies	-	21,494	-	21,494	-	-	-	21,494	19,859
Insurance	42,255	4,996	5,411	52,662	2,768	6,172	8,940	61,602	36,755
Medical Supplies	-	-	45,474	45,474	-	-	-	45,474	42,190
Office Expenses	27,608	3,264	3,535	34,407	1,808	4,034	5,842	40,249	39,774
Postage and Printing	13,017	1,539	1,667	16,223	853	1,901	2,754	18,977	7,429
Professional Fees and Contract Labor	38,316	4,530	4,907	47,753	2,510	5,597	8,107	55,860	51,098
Publicity	7,833	926	1,003	9,762	513	1,144	1,657	11,419	23,808
Repairs amd Maintenance	52,390	6,194	6,709	65,293	3,431	7,652	11,083	76,376	70,525
Telephone	10,089	1,193	1,292	12,574	661	1,474	2,135	14,709	9,065
Travel and Auto	2,094	248	268	2,610	137	306	443	3,053	7,696
Utilities	78,863	9,324	10,099	98,286	5,165	11,519	16,684	114,970	83,676
Bad Debt	-	-	3,785	3,785	-	-	-	3,785	3,069
	893,050	54,854	85,391	1,033,295	18,481	41,215	59,696	1,092,991	767,315
Total Expenses Before Depreciation	1,550,986	198,617	242,685	1,992,288	94,994	213,112	308,106	2,300,394	1,919,884
Depreciation	103,757	12,267	13,287	129,311	6,796	15,155	21,951	151,262	154,522
Total Expenses	\$ 1,654,743	\$ 210,884	\$ 255,972	\$ 2,121,599	\$ 101,790	\$ 228,267	\$ 330,057	\$ 2,451,656	\$ 2,074,406

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 176,230	\$ 1,196,466
Adjustments to Reconcile Changes in Net Assets to Net		
Cash Provided by Operating Activities:		
Depreciation	151,262	154,522
Non-Cash Contributions	(532,770)	(1,591,787)
Non-Cash Expenditures	532,770	296,887
Changes in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	(23,474)	3,273
Pledges Receivable	200,961	200,680
Prepaid Expenses and Other	9,418	(7,928)
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	5,666	(12,853)
Accrued Payroll and Related	(6,997)	20,914
	<u>513,066</u>	<u>260,174</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property and Equipment	<u>(4,750)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	508,316	260,174
CASH AND CASH EQUIVALENTS - BEGINNING	839,172	578,998
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,347,488</u>	<u>\$ 839,172</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investing and Financing Activities:		
Gifts of Building and Land	<u>\$ -</u>	<u>\$ 1,294,900</u>

See Notes to Financial Statements

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Organization - New England Wildlife Center, Inc. (the Organization), a not-for-profit organization, was incorporated under the laws of the Commonwealth of Massachusetts and commenced operations on July 17, 1983.
2. Operations - The Organization operates a teaching hospital dedicated to the medical treatment and rehabilitation of injured wildlife, primarily in the New England region. In addition, the Organization provides educational programs, and conducts humane medical and environmental research related to the care, protection, habitat of local wildlife, and veterinary services through The Odd Pet Vet. Program funding is received principally from the general public, with no support derived from state or local government entities.

During 2018, the Organization took over operations of a second location in Barnstable, Massachusetts, see Note J. The Barnstable, MA location operates as a wildlife hospital and education center that provides veterinary care and rehabilitation to sick, injured, and orphaned wild animals, as well as, educating members of the public and spreading the message of environmental conservation.

3. Method of Accounting - The financial statements are prepared using the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This method of accounting conforms to generally accepted accounting principles.
4. Financial Statement Presentation - The Organization's financial statements are presented in accordance with FASB ASC Update 2016-14. As such, net assets are classified based upon the existence or absence of donor imposed restrictions, as follows: without donor restrictions, with donor restrictions. A description of the two net asset categories follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With Donor Restrictions - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time, or that must remain intact, in perpetuity.

Under FASB ASC 958-210-45, expenses are generally reported as decreases in net assets without donor restrictions.

5. Concentration of Credit Risk - The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related accounts.
6. Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.
7. Marketable Securities - The Organization accounts for marketable securities in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

8. Property and Equipment - Property and equipment are stated at cost, or if donated, at the fair value at the date of donation. Maintenance and repairs are charged to expense as incurred whereas major betterments are capitalized. Depreciation is provided using straight-line and accelerated methods over five to forty years.
9. Fair Value of Financial Instruments - The Organization's financial instruments include cash and cash equivalents, accounts receivable, pledges receivable, accounts payable and accrued expenses. The recorded values of cash and cash equivalents, accounts receivable, pledges receivable, accounts payable and accrued expenses approximate their fair values based on their short-term nature.
10. Revenue Recognition - Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Donated materials and services are recorded as in-kind donations and recognized at their estimated fair value as of the date of donation or service.

Contributions of marketable securities are recorded in the financial statements at their quoted market price at the date of donation.

11. Contributions - Contributions are recorded in net assets without donor restrictions or net assets with donor restrictions class of net assets depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported as net assets released from restriction in the statement of activities.
10. Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a)(1).
11. Uncertainty In Income and Other Taxes - The Company adopted the standards for *Accounting for Uncertainty in Income Taxes*, which required the Company to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2019 and 2018, the Company determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained by the applicable tax authority. The Company files tax and information returns in the United States Federal and Massachusetts state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.
12. Donated Goods and Services - Donations of property, supplies and equipment are recorded as support at their estimated fair value on the date of donation where such an estimate can be made. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Volunteer labor is reported at its fair value where the service provided is skilled in nature, and the Organization would otherwise have purchased the service at fair value.
13. Functional Allocation of Expenses - The costs of providing various programs and activities of the Organization are summarized on a functional basis in the Statements of Activities and Functional Expenses.
14. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

15. Recent Accounting Pronouncements - In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities ("Topic 958"), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization has implemented this accounting standard in the accompanying financial statements effective January 1, 2019 under the modified prospective basis. Accordingly, there is no effect on beginning net assets in connection with the implementation of ASU 2018-08.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers ("ASC 606")*. The new accounting standard develops a common standard that will remove inconsistencies in revenue requirements, improve comparability of revenue recognition practices, provide more useful information to users of financial statements and simplify the preparation of financial statements. Nonpublic entities will apply the new standard for annual periods beginning after December 15, 2018, with early adoption permitted.

In June 2020, FASB issued ASU 2020-05 to defer the effective date of ASC 606 for one year for all privately held entities that have not yet issued financial statements or made financial statements available as of June 3, 2020. For these private entities, the revenue standard is effective for annual periods beginning after December 15, 2019 and interim reporting periods within annual reporting periods beginning after December 15, 2020.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842) ("ASC 842")*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. For the Organization, the new standard is effective for fiscal years beginning after December 15, 2019, and interim periods beginning the following year. Early adoption is permitted.

In addition, ASU 2020-05 defers the effective date for ASC 842 for private companies and certain not-for-profit entities ("NFPs") for one year. For private companies and private NFPs, the leasing standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

The Organization has elected to defer the effective date of ASC 606 and ASC 842 for one year. The Organization has not yet determined the impact ASC 606 and ASC 842 will have on its financial statements.

B. ACCOUNTS RECEIVABLE:

The Organization believes all accounts receivable to be collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible in future periods, they are charged to operations when that determination is made. At December 31, 2019 and 2018, bad debt expense amounted to \$3,785 and \$3,069, respectively.

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. PLEDGES RECEIVABLE:

Unconditional promises to give in future periods are recorded in the financial statements as Pledges Receivable, net of an allowance for uncollectible gifts. Principally representing gifts with donor restrictions for the capital campaign, aggregate promises to give in future periods are \$198,359 and \$399,320 as of December 31, 2019 and 2018, respectively.

The Organization allows for estimated losses on pledges receivable based on prior bad debt experience and a review of existing pledges. Based on these factors, there was no allowance for uncollectible gifts for the years ended December 31, 2019 and 2018. Uncollectible gift recoveries are charged against the allowance account as realized.

D. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31,:

	2019	2018
Building	\$ 6,115,459	\$ 6,115,459
Building Improvements	118,462	118,462
Educational and Other Equipment	131,238	131,238
Land	1,792,600	1,792,600
Medical Equipment	261,440	256,690
Office Equipment	148,647	148,647
	8,567,846	8,563,096
Accumulated Depreciation	(2,325,195)	(2,173,933)
	<u>\$ 6,242,651</u>	<u>\$ 6,389,163</u>

E. GOODWILL:

The accounting for the acquisition of The Odd Pet Vet practice in 2008 resulted in recognizing goodwill of \$26,000. Under generally accepted accounting principles, the carrying amount of goodwill is not amortized but is reduced if management determines that its implied fair value has been impaired. In management's opinion, there has been no impairment of goodwill as of December 31, 2019 and 2018.

F. LIQUIDITY AND AVAILABILITY:

The following reflects the Organization's financial assets at December 31, 2019 and 2018, reduced by amounts that are not available for general use because of donor-imposed restrictions, within one year of the statement of financial position date. As part of its liquidity management plan, the Organization operates its programs within a balanced budget and relies on grants and contributions to fund its operations and program activities:

	2019	2018
Cash and Cash Equivalents	\$ 1,347,488	\$ 839,172
Accounts Receivable	28,300	4,826
Pledges Receivable	198,359	399,320
Total Financial Assets	1,574,147	1,243,318
Contributions Restricted For Purpose	(20,686)	(114,240)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,553,461</u>	<u>\$ 1,129,078</u>

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above.

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are comprised of the following purposes and amounts at December 31,:

	2019	2018
Capital and Hospital Equipment	\$ 20,686	\$ 114,240

During the years ended December 31, 2019 and 2018, net assets with donor restrictions of \$167,679 and \$899,474, respectively, were released by satisfaction of programmatic restriction.

H. CONTRIBUTIONS AND GIFTS:

Contributions and gifts are comprised of the following at December 31,:

	2019	2018
Annual Giving	\$ 67,398	\$ 43,672
Bequest	89,973	-
Corporate and Business Gifts	17,751	8,850
Donations received at Patient Admission	86,655	45,298
Major Gifts	353,462	165,700
Memorial Gifts and Bequests	20,994	14,496
Special Appeal	111,086	98,246
Other	97,098	89,099
	\$ 844,417	\$ 465,361

I. DONATIONS IN KIND:

To provide additional further support for its charitable activities, the Organization solicits and receives donations of supplies, equipment and considerable volunteer support. During the years ended December 31, 2019 and 2018, the Organization received donations of medicines, animal feed and other supplies totaling \$31,659 and \$19,808, respectively. Skilled volunteer labor, valued at \$501,111 and \$277,079, represents the services provided by the Organization's veterinarian and student interns during the years ended December 31, 2019 and 2018, respectively. During 2018, the Organization received a donation in kind of land and building, see Note J.

J. DONATION OF LAND AND BUILDING:

On November 21, 2018, the Organization was gifted all assets of the Cape Wildlife Center located in Barnstable, Massachusetts. The Organization will continue operations of the Cape Wildlife Center and operate both locations as one entity. The assets fair market value at the date of the gift consist of land valued at \$352,600 and a building and outbuildings valued at \$942,300. The amounts are reported as a donation in kind of land and building on the statement of activities.

K. EMPLOYEE BENEFIT PLAN PROGRAM:

The Organization sponsors the "New England Wildlife Center Retirement Plan" to benefit all full-time employees satisfying certain age and service requirements. The plan permits discretionary contributions on behalf of the Organization, in addition to employee salary deferrals. Administrative costs of the plan are borne by the Organization. For the years ended December 31, 2019 and 2018, the Board of Directors did not authorize any contributions.

L. CONTINGENT LIABILITIES:

The Organization has certain contingent liabilities and is a party to various claims and actions arising in the ordinary course of business. Management is of the opinion that all such matters are without merit or are of such kind, or involve such amounts, that unfavorable disposition would not have a material effect on the financial position of the Organization.

NEW ENGLAND WILDLIFE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

M. SUBSEQUENT EVENTS:

Management has evaluated events occurring after the statement of financial position date through November 5, 2020, the date in which the financial statements were available to be issued.

During the period from January 1, 2020 through November 5, 2020, both domestic and international equity markets have experienced significant declines due in large part to a virus known as the Coronavirus or COVID-19. On January 30, 2020, the World Health Organization declared the COVID-19 a public health emergency. The declaration has a potential impact on the Organization and its program participants and donors. Significant work stoppages and an economic slowdown has impacted not only the United States, but the worldwide economy. Management is unable to estimate the impact that this public health emergency will have on the Organization's financial position or its operating results and accordingly, no adjustments have been made to the accompanying financial statements.

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") that, among other things, provided various tax incentives to taxpayers, emergency funding, and other economic stimulus provisions.

On April 19, 2020, the Organization received loan proceeds in the amount of approximately \$214,820 from the Payroll Protection Program (the "PPP") element of the CARES Act. The PPP, established as part of the CARES Act, provides for loans to qualifying organizations for amounts up to 2.5 times the average qualifying monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower is unable to re-hire to the same employment level on or before December 31, 2020, reduces salaries during the covered period, or uses more than forty percent of the money on non-employment expenses.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness, the lender has not commenced accepting loan forgiveness applications.

The Organization continues to examine the impact that the CARES Act may have on its operations. Currently, management is unable to determine the potential impact that the CARES Act will have on the Organization's financial position or its operating results.