



IMMIGRANT LEGAL ADVOCACY PROJECT

**FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Immigrant Legal Advocacy Project

We have audited the accompanying financial statements of Immigrant Legal Advocacy Project (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2019 and 2018, and the related statements of support, revenue, and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis 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 the modified cash basis of accounting as described in the notes; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **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 present fairly, in all material respects, the assets, liabilities, and net assets of Immigrant Legal Advocacy Project as of December 31, 2019 and 2018, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in the notes.

**Basis of Accounting**

We draw attention to the notes of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive style with a large initial 'R'.

May 28, 2020  
South Portland, Maine

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Statements of Assets, Liabilities and Net Assets**  
**Modified Cash Basis**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 227,020	182,785
Cash and equivalents held in investments	1,407,205	918,726
Deposit - rent	4,698	4,698
Total current assets	1,638,923	1,106,209
Property and equipment:		
Property and equipment	35,518	35,518
Less accumulated depreciation	(11,016)	(5,880)
Net property and equipment	24,502	29,638
Non-current assets:		
Investments	100,290	111,699
Total non-current assets	100,290	111,699
<b>Total assets</b>	<b>\$ 1,763,715</b>	<b>1,247,546</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accrued payroll related liabilities	\$ 29,911	24,775
Total liabilities	29,911	24,775
Net assets:		
Without donor restrictions:		
Undesignated	761,620	564,843
Board designated	750,000	450,000
Total net assets without donor restrictions	1,511,620	1,014,843
Net assets with donor restrictions	222,184	207,928
Total net assets	1,733,804	1,222,771
<b>Total liabilities and net assets</b>	<b>\$ 1,763,715</b>	<b>1,247,546</b>

*See independent auditor's report and accompanying notes to financial statements.*

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Statements of Support, Revenue, and Expenses**  
**Modified Cash Basis**  
**Years Ended December 31, 2019 and 2018**

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue:						
Foundation grants	\$ 693,077	397,625	1,090,702	547,607	188,210	735,817
Donations	725,147	-	725,147	539,248	-	539,248
Fees	1,737	-	1,737	797	-	797
Investment income, net	17,905	1,808	19,713	4,123	-	4,123
In-kind contributions	989,946	-	989,946	937,242	-	937,242
Fundraising events, net of expenses of \$26,447 and \$24,349 for 2019 and 2018, respectively	29,916	-	29,916	58,629	-	58,629
Other income	302	-	302	570	-	570
Total public support and revenue	2,458,030	399,433	2,857,463	2,088,216	188,210	2,276,426
Net assets released from restrictions	385,177	(385,177)	-	309,133	(309,133)	-
Total public support and reclassifications	2,843,207	14,256	2,857,463	2,397,349	(120,923)	2,276,426
Expenses:						
Program expenses	2,076,088	-	2,076,088	1,802,709	-	1,802,709
Management and general	106,338	-	106,338	114,111	-	114,111
Fundraising	164,004	-	164,004	166,179	-	166,179
Total expenses	2,346,430	-	2,346,430	2,082,999	-	2,082,999
Change in net assets	496,777	14,256	511,033	314,350	(120,923)	193,427
Net assets, beginning of year	1,014,843	207,928	1,222,771	700,493	328,851	1,029,344
<b>Net assets, end of year</b>	<b>\$ 1,511,620</b>	<b>222,184</b>	<b>1,733,804</b>	<b>1,014,843</b>	<b>207,928</b>	<b>1,222,771</b>

*See independent auditor's report and accompanying notes to financial statements.*

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Statement of Functional Expenses**  
**Modified Cash Basis**  
**Year Ended December 31, 2019**

		Program expenses	Supporting services		Total expenses
			Management and general	Fundraising	
Salaries	\$	662,957	54,512	95,507	812,976
Benefits and payroll taxes		160,970	13,236	23,190	197,396
Professional services		51,840	13,977	3,384	69,201
Office supplies		10,940	900	1,576	13,416
Equipment and support		40,080	8,353	12,236	60,669
Malpractice insurance		6,261	-	-	6,261
Liability insurance		578	48	83	709
Telephone		13,983	1,150	2,014	17,147
Postage		6,373	524	918	7,815
Occupancy		71,265	5,860	10,267	87,392
Printing and copying		4,279	352	6,900	11,531
Advertising and outreach		3,806	313	2,619	6,738
Travel and meals		21,206	1,744	3,055	26,005
Library and publications		5,102	-	-	5,102
Professional dues		5,798	-	-	5,798
Client filing fees		8,066	-	-	8,066
Professional development and training		10,699	71	125	10,895
In-kind expenses		989,946	-	-	989,946
Miscellaneous		1,939	162	2,130	4,231
Total expenses before depreciation		2,076,088	101,202	164,004	2,341,294
Depreciation		-	5,136	-	5,136
<b>Total expenses</b>	<b>\$</b>	<b>2,076,088</b>	<b>106,338</b>	<b>164,004</b>	<b>2,346,430</b>

*See independent auditor's report and accompanying notes to financial statements.*

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Statement of Functional Expenses**  
**Modified Cash Basis**  
**Year Ended December 31, 2018**

		Program expenses	Supporting services		Total expenses
			Management and general	Fundraising	
Salaries	\$	491,105	56,887	96,552	644,544
Benefits and payroll taxes		121,218	14,041	23,832	159,091
Professional services		38,001	13,641	-	51,642
Office supplies		21,733	2,517	4,273	28,523
Equipment and support		66,787	4,411	7,486	78,684
Malpractice insurance		5,548	-	-	5,548
Liability insurance		1,051	122	207	1,380
Telephone		10,885	1,261	2,140	14,286
Postage		4,337	502	853	5,692
Occupancy		60,479	7,006	11,890	79,375
Printing and copying		5,228	606	9,685	15,519
Advertising and outreach		1,308	151	1,409	2,868
Travel and meals		10,800	1,251	2,123	14,174
Library and publications		3,968	-	-	3,968
Professional dues		9,668	-	-	9,668
Client filing fees		108	13	21	142
Professional development and training		9,060	1,050	1,781	11,891
In-kind expenses		937,242	-	-	937,242
Miscellaneous		4,183	5,516	3,927	13,626
Total expenses before depreciation		1,802,709	108,975	166,179	2,077,863
Depreciation		-	5,136	-	5,136
<b>Total expenses</b>	<b>\$</b>	<b>1,802,709</b>	<b>114,111</b>	<b>166,179</b>	<b>2,082,999</b>

*See independent auditor's report and accompanying notes to financial statements.*



**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Statements of Cash Flows**  
**Modified Cash Basis**  
**Years Ended December 31, 2019 and 2018**

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 511,033	193,427
Adjustments to reconcile change in net assets to net cash and equivalents provided by operating activities:		
Depreciation	5,136	5,136
Unrealized loss on investments	1,312	1,284
(Increase) decrease in operating assets:		
Deposit - rent	-	520
Increase (decrease) in operating liabilities:		
Accrued payroll related liabilities	5,136	250
Net cash and equivalents provided by operating activities	522,617	200,617
Cash flows from investing activities:		
Proceeds from sale of investments	10,097	8,478
Net cash and equivalents provided by investing activities	10,097	8,478
Net change in cash and equivalents	532,714	209,095
Cash and equivalents, beginning of year	1,101,511	892,416
<b>Cash and equivalents, end of year</b>	<b>\$ 1,634,225</b>	<b>1,101,511</b>
Supplemental schedule of cash and equivalents:		
Cash and equivalents	\$ 227,020	182,785
Cash and equivalents held in investments	1,407,205	918,726
Total cash and cash equivalents	\$ 1,634,225	1,101,511

*See independent auditor's report and accompanying notes to financial statements.*

## IMMIGRANT LEGAL ADVOCACY PROJECT

### Notes to Financial Statements

December 31, 2019 and 2018

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#### NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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**Organization** - Immigrant Legal Advocacy Project (the Organization) is a not-for-profit organization organized under the laws of the State of Maine to advocate for and to improve the status and well-being of Maine's low-income non-citizens and their families by providing affordable legal services, and by educating and working with service providers, policy makers, and the public concerning legal issues unique to non-citizens.

**Basis of Accounting** - The Organization's policy is to issue its financial statements using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The modified cash basis is a basis of accounting which differs from the strict cash basis of recording revenues when received and expenses when funds are disbursed. These statements have been modified to include the recording of accrued payroll related liabilities, and the capitalization and depreciation of equipment. In addition, certain in-kind donations and expenses are recorded in the accompanying statements of support, revenue, and expenses – modified cash basis, and statements of functional expenses – modified cash basis.

**Basis of Presentation** - The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor imposed restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents, and its application for tax-exempt status. The governing board has designated a portion of net assets without donor restrictions as net assets for long-term investment.

Net assets with donor restrictions are 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, such as where the donor stipulates that resources be maintained in perpetuity. The Organization's unspent contributions are reported in net assets with donor contributions if the donor limits their use. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

**Cash and Equivalents** - For purposes of the statements of cash flows, management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization's cash and cash equivalents consist of cash in checking, savings, money market, and petty cash.

**Property and Equipment** - Property and equipment with a purchase price of \$1,000 or more is carried at cost if purchased, or fair value on the date of gift if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5-7 years.

**Income Tax Status** - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, it qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Code. Also, in 2004, the Organization filed Form 5768 to elect under Code section 501(h) to make limited expenditures to influence legislation.

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2019 and 2018**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Donated Services** - The Organization records in-kind support, which includes pro-bono attorney hours. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

Additionally, the Organization receives a significant amount of contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contribution, for the years ended December 31, 2019 and 2018, has not been reflected in the accompanying financial statements.

**Use of Estimates** - The preparation of financial statements in conformity with the modified cash basis of accounting 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.

**Revenues and Expenses** - Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Expirations of net assets with donor restrictions by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

**Contributions with Restrictions Met in the Same Year** - Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets with donor restrictions class, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

**Functional Allocation of Expenses** - The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, and benefits and payroll taxes, which are allocated on the basis of estimates of time and effort. The remaining allocated expenses are based on management's estimate of current year activity and include: office supplies, equipment and support, liability insurance, telephone, postage, occupancy, printing and photocopying, advertising and outreach, travel and meals, client filing fees, professional development and training, and miscellaneous.

**Reclassifications** - Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the results of operations previously reported.

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2019 and 2018**

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CONCENTRATIONS OF CREDIT RISK

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The Organization maintains its cash balances at a financial institution located in Maine. As of December 31, 2019 and 2018, deposits were insured by the FDIC up to a maximum amount of \$250,000. The Organization had no uninsured cash at December 31, 2019 and 2018.

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MAINE COMMUNITY FOUNDATION CHARITABLE FUND

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In 2007, a donor transferred \$200,000 to the Maine Community Foundation (MCF) to establish the “Immigrant Legal Advocacy Project Fund” (the Fund), designating the Immigrant Legal Advocacy Project as the intended beneficiary. The donor has granted variance power over these assets to the Maine Community Foundation. As a result, the Organization does not include them as an asset on the statements of assets, liabilities, and net assets – modified cash basis. The proceeds from this Fund will be distributed to Immigrant Legal Advocacy Project in amounts to be determined by a spending policy set by the MCF Board of Directors. During the years ended December 31, 2019 and 2018, payments received from this Fund totaled \$880 and \$445, respectively, and are included in “Donations” on the statements of support, revenue, and expenses – modified cash basis.

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ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

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In accordance with FASB ASC 820-10 *Fair Value Measurements*, the Organization is required to disclose for its assets and liabilities measured at fair value on a recurring basis, the inputs used to determine those fair value measurements. The guidance provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- *Level 1*: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.
- *Level 2*: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.
- *Level 3*: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Organization management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2019 and 2018**

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ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

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Fair value measurements at December 31, 2019 using:

	<u>Total</u>	<u>Level 1</u>
Cash reserves	\$ 1,407,205	1,407,205
Mutual funds – short term	88,795	88,795
Equities:		
Consumer defensive	2,096	2,096
Consumer cyclical	5,241	5,241
Technology	4,158	4,158
<b>Totals</b>	<b>\$ 1,507,495</b>	<b>1,507,495</b>

Fair value measurements at December 31, 2018 using:

	<u>Total</u>	<u>Level 1</u>
Cash reserves	\$ 918,726	918,726
Mutual funds – short term	87,143	87,143
Equities:		
Services	17,920	17,920
Industrial goods	1,027	1,027
Basic Materials	5,609	5,609
<b>Totals</b>	<b>\$ 1,030,425</b>	<b>1,030,425</b>

Cash reserves include money market balances, which are included in cash and equivalents held in investments on page 1. Transfers between levels are recognized on the actual date of the event or change in circumstance that caused the transfer; there were no such transfers between asset levels during the years ended December 31, 2019 and 2018.

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OPERATING LEASE OBLIGATIONS

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In 2017, the Organization entered into an operating lease agreement for a new office location. This new lease commenced October 1, 2017, for a term of five years, with an option to extend the agreement thereafter for a period of two or three years. Payments on this lease did not start until January 2018 and range from \$3,761 to \$4,596 per month, plus additional amounts for parking spaces, for the duration of the lease.

During 2018, the Organization expanded its operations to Lewiston, Maine, and commenced an office lease for a term of two years. Payments on this lease began in March 2018, at \$625 a month for the duration of the lease.

In 2018, the Organization entered into a lease for office equipment. The lease calls for monthly payments of \$419 for 36 months. Rent expense associated with this lease totaled \$5,028, and \$4,190 for the years ended December 31, 2019, and 2018, respectively. This lease replaced a lease entered into during FY 2015 for similar office equipment, rent expense under that lease amounted to \$1,066 during the year ended December 31, 2018.

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2019 and 2018**

**OPERATING LEASE OBLIGATIONS, CONTINUED**

For the years ended December 31, 2019 and 2018, rent expense associated with these leases totaled \$72,667 and \$71,431, respectively.

The following is a summary of future lease commitments as of December 31, 2019:

2020	\$ 58,900
2021	57,400
2022	51,300
<b>Total</b>	<b>\$ 167,600</b>

**RETIREMENT PLAN**

Immigrant Legal Advocacy Project maintains a "tax sheltered annuity" plan under Internal Revenue Service Code Section 403(b). The plan is available to all employees upon hire for tax-deferred employee contributions. The Organization also makes contributions of 5% of qualified employees' salaries into a SEP IRA with contributions beginning after one year of service. For the years ended December 31, 2019 and 2018, retirement plan expenses incurred under this plan totaled \$29,909 and \$23,409, respectively, and have been included in the benefits and payroll taxes line on the accompanying statements of functional expenses – modified cash basis.

**RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES**

Net assets with donor restrictions consisted of the following at December 31:

Subject to appropriation and expenditure when a specified event or time occurs:

	<u>2019</u>	<u>2018</u>
<u>Gifts restricted by purpose or to future accounting periods</u>	<u>\$ 221,884</u>	<u>207,928</u>
<b>Total net assets with donor restrictions</b>	<b>\$ 221,884</b>	<b>207,928</b>

Board designated net assets consist of funds set aside for long-term investing and amounted to following at December 31:

	<u>2019</u>	<u>2018</u>
<u>Board designated funds for long-term investment</u>	<u>\$ 750,000</u>	<u>450,000</u>
<b>Total board designated net assets</b>	<b>\$ 750,000</b>	<b>450,000</b>

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2019 and 2018**

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**NET ASSETS RELEASED FROM RESTRICTIONS**

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The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors were as follows:

	<u>2019</u>	<u>2018</u>
<u>Expiration of restrictions by purpose or passage of time</u>	\$ 385,177	309,133
<b><u>Total net assets released from restrictions</u></b>	<b>\$ 385,177</b>	<b>309,133</b>

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**LIQUIDITY AND AVAILABILITY OF RESOURCES**

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The Organization has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

Cash and equivalents	\$ 227,020
<u>Cash and equivalents held in investments</u>	<u>1,407,205</u>
<b><u>Total</u></b>	<b><u>\$ 1,634,225</u></b>

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Of the financial assets, \$221,884 are subject to donor or other contractual restrictions, which are expected to be met within the subsequent year. All other assets are available for general expenditure within one year of the balance sheet date. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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**SUBSEQUENT EVENTS**

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In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through May 28, 2020, which is the date these financial statements were available to be issued.

Subsequent to year-end, the COVID-19 outbreak in the United States has created some economic challenges for the Organization. Such challenges include significant decreases in contribution and grant funding, along with a drop in revenues from the Organization's annual special event. While these disruptions are expected to be temporary, there is considerable uncertainty around the duration and impact on ongoing operations.

Given this uncertainty, on April 16, 2020, the Organization applied for and was granted a loan (the Loan) from Norway Savings Bank in the aggregate amount of \$190,327, pursuant to the Paycheck Protection Program (the "PPP") under division A, Title I of the Coronavirus Aid, Relief and Economy Security Act (CARES Act), which was enacted in March, 2020. The Loan, which was in the form of a Note dated April 16, 2020, matures on April 16, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 16, 2020. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, rent, and utilities. The Organization intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it is uncertain whether events will take place that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part.

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