



Financial Statements
July 31, 2020 and 2019

Utah Parent Center, Inc.

Independent Auditor’s Report 1

Financial Statements

 Statements of Financial Position 3

 Statements of Activities 4

 Statements of Functional Expenses 5

 Statements of Cash Flows 7

 Notes to Financial Statements 8



Independent Auditor's Report

The Board of Directors and Management of
Utah Parent Center, Inc.
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Parent Center, Inc. which comprise the statements of financial position as of July 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 Utah Parent Center, Inc. as of July 31, 2020 and 2019, and the change 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.

Eide Bailly LLP

Salt Lake City, Utah
December 2, 2020

Utah Parent Center, Inc.
Statements of Financial Position
July 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 483,356	\$ 294,279
Grants and contracts receivable	90,887	63,692
Total current assets	574,243	357,971
Endowment	404,935	414,991
Furniture and equipment, net	12,570	17,666
Other assets	19,127	10,091
	\$ 1,010,875	\$ 800,719
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 5,939	\$ 3,425
Accrued expenses	71,057	52,279
Current maturities of notes payable	85,874	-
Total current liabilities	162,870	55,704
Long-Term Liabilities		
Notes payable, less current maturities	109,373	-
Total liabilities	272,243	55,704
Net Assets		
Without donor restrictions	296,961	308,992
With donor restrictions		
Purpose restrictions	250,986	245,338
Perpetual in nature	190,685	190,685
Total net assets with donor restrictions	441,671	436,023
Total net assets	738,632	745,015
	\$ 1,010,875	\$ 800,719

Utah Parent Center, Inc.
Statements of Activities
Years Ended July 31, 2020 and 2019

	2020	2019
Net Assets Without Donor Restrictions		
Revenue, support, and gains		
Public support		
Private donations and contributions	\$ 125,873	\$ 162,590
Gross special events revenue	42,413	52,706
Less costs of direct benefit to donors	(19,314)	(14,776)
Net special events revenue	23,099	37,930
Grants and contracts	1,096,871	1,060,189
Other income	2,882	2,692
In-kind contributions and donated professional services	4,705	-
Net assets released from restrictions		
Restrictions satisfied	21,986	39,846
Total revenue and support without donor restrictions	1,275,416	1,303,247
Expenses		
Program services	1,126,798	1,071,212
Supporting services		
Management and general	109,260	100,594
Fundraising	51,389	46,577
Total expenses	1,287,447	1,218,383
Change in Net Assets Without Donor Restrictions	(12,031)	84,864
Net Assets With Donor Restrictions		
Private donations and contributions	30,000	33,097
Endowment net investment return	(2,366)	12,936
Net assets released from restrictions		
Restrictions satisfied	(21,986)	(39,846)
Change in Net Assets With Donor Restrictions	5,648	6,187
Change in Net Assets	(6,383)	91,051
Net Assets, Beginning of Year	745,015	653,964
Net Assets, End of Year	\$ 738,632	\$ 745,015

Utah Parent Center, Inc.
Statement of Functional Expenses
Year Ended July 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and Benefits	\$ 912,927	\$ 90,732	\$ 41,944	\$ 1,045,603
Other Expenses				
Rent	56,054	5,571	2,575	64,200
Parent conferences and volunteer support	5,264	-	-	5,264
Printing and duplicating	8,258	821	379	9,458
Travel	21,868	-	914	22,782
Other expenses	41,381	4,113	21,215	66,709
Office supplies	24,496	2,421	1,120	28,037
Consultants and professional fees	33,259	3,287	1,520	38,066
Telephone	15,052	1,496	691	17,239
Postage and delivery	743	74	34	851
Depreciation	6,756	671	311	7,738
Staff development	740	74	-	814
Total expenses	1,126,798	109,260	70,703	1,306,761
Less expenses included as revenue on the statement of activities - Costs of direct benefits to donors	-	-	(19,314)	(19,314)
	<u>\$ 1,126,798</u>	<u>\$ 109,260</u>	<u>\$ 51,389</u>	<u>\$ 1,287,447</u>

Utah Parent Center, Inc.
Statement of Functional Expenses
Year Ended July 31, 2019

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and Benefits	\$ 823,283	\$ 82,367	\$ 37,028	\$ 942,678
Other Expenses				
Rent	56,069	5,610	2,521	64,200
Parent conferences and volunteer support	29,575	-	-	29,575
Printing and duplicating	13,565	1,357	610	15,532
Travel	36,179	-	1,479	37,658
Other expenses	37,412	3,743	16,459	57,614
Office supplies	14,410	1,442	649	16,501
Consultants and professional fees	35,425	3,544	1,594	40,563
Telephone	15,239	1,525	685	17,449
Postage and delivery	505	51	22	578
Depreciation	6,809	681	306	7,796
Staff development	2,741	274	-	3,015
Total expenses	<u>1,071,212</u>	<u>100,594</u>	<u>61,353</u>	<u>1,233,159</u>
Less expenses included as revenue on the statement of activities - Costs of direct benefits to donors	-	-	(14,776)	(14,776)
	<u>\$ 1,071,212</u>	<u>\$ 100,594</u>	<u>\$ 46,577</u>	<u>\$ 1,218,383</u>

Utah Parent Center, Inc.
Statements of Cash Flows
Years Ended July 31, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ (6,383)	\$ 91,051
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	7,738	7,796
Endowment net investment loss/(return)	2,366	(12,936)
Loss on disposal of assets	2,424	-
Changes in operating assets and liabilities		
Grants and contracts receivable	(27,195)	(19,774)
Other assets	(9,036)	(9,391)
Accounts payable	2,514	(6,193)
Accrued expenses	18,778	13,758
Net Cash from (used for) Operating Activities	(8,794)	64,311
Investing Activities		
Purchases of equipment	(5,066)	(10,217)
Withdrawal from endowment	7,690	10,811
Net Cash from Investing Activities	2,624	594
Financing Activities		
Proceeds from issuance of note payable	195,247	-
Net Cash from Financing Activities	195,247	-
Net Change in Cash and Cash Equivalents	189,077	64,905
Cash and Cash Equivalents, Beginning of Year	294,279	229,374
Cash and Cash Equivalents, End of Year	\$ 483,356	\$ 294,279

Note 1 - Summary of Significant Accounting Policies

Organization

Utah Parent Center, Inc. (the Organization) is a nonprofit organization providing education and training to parents of children with disabilities and special needs throughout the State of Utah.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Organization are excluded from this definition.

Grants and Contracts Receivable and Credit Policies

Grants and contracts receivable consist primarily of noninterest-bearing amounts due from certain government or contracted entities for reimbursements of various approved expenses incurred in connection with grants and contracts. Management determines the allowance for uncollectable accounts receivable based on its determination of the collectability of each individual account. Accounts receivable are written-off when deemed uncollectable. There was no allowance for uncollectible accounts at July 31, 2020 and 2019.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Furniture and Equipment

Furniture and equipment additions are recorded at cost or, if donated, at fair value on the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of furniture and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended July 31, 2020 and 2019.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. 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 substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at July 31, 2020, conditional contributions approximating \$1,574,000, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present 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 rent and depreciation which are allocated on a square footage basis, as well as salaries and benefits, consultants and professional fees, office supplies, insurance, and other, which are allocated on the basis of estimates of time and effort.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received. For the year ended July 31, 2020, the Organization recorded \$2,955 of donated professional services and \$1,750 of in-kind contributions of food and supplies for program services. For the year ended July 31, 2019, no significant contributions of such goods or services were received.

Income Tax Status

Utah Parent Center, Inc. is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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 those differences could be material.

Financial Instruments and Credit Risk

The Organization manages deposit concentrations risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Recently Adopted Accounting Pronouncements

FASB Accounting Standards Codification Topic 606

FASB Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers* (Topic 606), as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

FASB Accounting Standards Update 2018-08

The Organization has implemented Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists the entity in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Subsequent Events

Management has made an evaluation of subsequent events through December 2, 2020, the date on which the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 446,620	\$ 273,247
Grants and contracts receivable	90,887	63,692
	\$ 537,507	\$ 336,939

As part of a liquidity management plan cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

The Organization's investment assets are classified within Level 1 because they are comprised of open-end mutual funds and cash deposit accounts with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at July 31, 2020:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Endowment investments				
Cash and money market funds (at cost)	\$ 54,930	\$ -	\$ -	\$ -
Mutual funds	350,005	350,005	-	-
Total endowment investments at fair value	<u>\$ 404,935</u>	<u>\$ 350,005</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at July 31, 2019:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Endowment investments				
Cash and money market funds (at cost)	\$ 32,458	\$ -	\$ -	\$ -
Mutual funds	382,533	382,533	-	-
Total endowment investments at fair value	<u>\$ 414,991</u>	<u>\$ 382,533</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Net Investment Return

Net investment return consists of the following for the years ended July 31, 2020 and 2019:

	2020	2019
Endowment investments		
Interest and dividends	\$ 30,162	\$ 39,026
Net realized and unrealized gain/(loss)	(32,528)	(26,090)
Endowment net investment return/(loss)	<u>\$ (2,366)</u>	<u>\$ 12,936</u>

Note 5 - Furniture and Equipment

Furniture and equipment consists of the following at July 31, 2020 and 2019:

	2020	2019
Furniture and equipment	\$ 57,301	\$ 60,998
Accumulated depreciation	(44,731)	(43,332)
	\$ 12,570	\$ 17,666

Note 6 - Endowment

The Organization’s endowment (the Endowment) consists of one fund established by donors to provide annual funding for autism related community support. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization’s Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At July 31, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment (including promises to give net of discount and allowance for doubtful accounts, and (c) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

At July 31, 2020 and 2019, the Organization’s Endowment consists entirely of donor-restricted funds and does not include any board-designated funds.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the Endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. A significant portion of the funds are invested to seek growth of principal over time.

The Organization uses an endowment spending-rate formula to determine the amount to spend from the Endowment each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the Endowment investments for the prior year to determine the spending amount for the upcoming year applied subjectively. In establishing this policy, the Organization considered the long-term expected return on the Endowment and set the rate with the objective of maintaining the purchasing power of the Endowment over time.

Changes in the Endowment net assets for the year ending July 31, 2020, are as follows:

	Without Donor Restriction	With Donor Restrictions - Purpose	With Donor Restrictions - Perpetual	Total
Endowment net assets, beginning of year	\$ -	\$ 224,306	\$ 190,685	\$ 414,991
Net investment return/(loss)	-	(2,366)	-	(2,366)
Distributions	-	(7,690)	-	(7,690)
Contributions	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 214,250</u>	<u>\$ 190,685</u>	<u>\$ 404,935</u>

Changes in the Endowment net assets for the year ending July 31, 2019, are as follows:

	Without Donor Restriction	With Donor Restrictions - Purpose	With Donor Restrictions - Perpetual	Total
Endowment net assets, beginning of year	\$ -	\$ 222,181	\$ 190,685	\$ 412,866
Net investment return/(loss)	-	12,936	-	12,936
Distributions	-	(10,811)	-	(10,811)
Contributions	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 224,306</u>	<u>\$ 190,685</u>	<u>\$ 414,991</u>

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at July 31, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose		
Autism related community support -		
endowment appreciation	\$ 214,250	\$ 224,306
Family to Family Network and Family Voices	12,738	10,920
Family Links Conference	10,019	10,019
Autism Across the Lifespan	13,886	-
Other	93	93
	250,986	245,338
 Perpetual in nature		
Endowment contributions restricted in perpetuity	190,685	190,685
	\$ 441,671	\$ 436,023

Note 8 - Operating Leases

The Organization's office space is leased under an operating lease through January 2026. The terms of the lease require monthly payments of approximately \$6,242.

Future minimum lease payments are as follows:

Years Ending July 31,	
2021	\$ 70,476
2022	71,981
2023	73,283
2024	74,749
2025	76,244
Thereafter	44,377
	\$ 411,110

For the years ended July 31, 2020 and 2019, rent expense totaled \$64,200.

Note 9 - Notes Payable

During April 2020, the Organization applied for and was granted a \$195,247 loan under the Paycheck Protection Program administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan accrues interest at a rate of 1%, but monthly installment payments are not required to begin until December 2020. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. While the Organization intends to take measures to maximize the loan forgiveness, it cannot reasonably determine the portion of the loan that will ultimately be forgiven. However, the Organization expects that based on the available guidance of the SBA, the Organization has complied with the program’s terms to qualify for full loan forgiveness.

Although forgiveness of the loan balance may occur, future maturities of this note payable (under terms of the loan agreement) are as follows:

<u>Years Ending July 31,</u>	
2021	\$ 85,874
2022	<u>109,373</u>
	<u>\$ 195,247</u>

Note 10 - Contingencies

General Operations

Before and subsequent to year-end, the outbreak of the novel Coronavirus pandemic, or Covid-19, has significantly increased risk and uncertainties in the global economy including the community in which the Organization operates. As a result, the Organization could potentially see reductions in public donations and grant contracts. A significant loss of funding could require the Organization to respond with changes in its operations including reductions of personnel or reductions to services provided. The Organization is closely monitoring the pandemic and its effects on the organization and the community on an ongoing basis. The ultimate financial effect of Covid-19 on the Organization is currently under evaluation.

Investments

Before and subsequent to year-end, the United States and global markets experienced significant volatility resulting from uncertainty caused by the world-wide coronavirus pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The Organization’s financial statements do not include additional adjustments to fair value that have resulted subsequent to year-end.