SCHALL & ASHENFARB Certified Public Accountants, LLC

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READ WORKS

Audited Financial Statements

August 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ReadWorks, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of ReadWorks, Inc. (the "Organization"), which comprise the statements of financial position as of August 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ReadWorks, Inc. as of August 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* Our opinion is not modified with respect to this matter.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

June 4, 2020

READWORKS, INC.
STATEMENT OF FINANCIAL POSITION
AS OF AUGUST 31, 2019 AND 2018

	8/31/19	8/31/18
Assets		
Cash and cash equivalents	$176,737	$514,055
Investments (Note 3)	221,424	209,151
Pledges receivable (Note 4)	423,430	200,000
Prepaid expenses	5,797	14,331
Security deposits	8,800	8,800
Fixed assets, net (Note 5)	7,154	107,610
Total assets	$843,342	$1,053,947
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$55,694	$53,149
Total liabilities	55,694	53,149
Net assets:		
Without donor restrictions (Note 6)		
Operating	(26,097)	591,647
Board designated	221,424	209,151
Total without donor restrictions	195,327	800,798
With donor restrictions (Note 7)	592,321	200,000
Total net assets	787,648	1,000,798
Total liabilities and net assets	$843,342	$1,053,947

The attached notes and auditor's report are an integral part of these financial statements.

READWORKS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	Without Donor Restrictions					
	Operations	Board Designated	Total	With Donor Restrictions	Total 8/31/19	Total 8/31/18
Public support and revenue:						
Contributions	$951,302		$951,302	$1,000,000	$1,951,302	$1,816,753
Contract services			0		0	274,188
Licensing income	27,000		27,000		27,000	37,596
Net investment income/(loss) (Note 3)	(876)	$12,273	11,397		11,397	(1,393)
Miscellaneous income	1,846		1,846		1,846	818
Net assets released from restrictions	607,679		607,679	(607,679)	0	0
Total public support and revenue	1,586,951	12,273	1,599,224	392,321	1,991,545	2,127,962
Expenses:						
Program services:						
Curriculum	269,859		269,859		269,859	321,023
Teacher training	219,477		219,477		219,477	337,564
Online delivery, assessment and evaluation	1,047,514		1,047,514		1,047,514	930,703
Client development	347,045		347,045		347,045	279,709
Total program services	1,883,895	0	1,883,895	0	1,883,895	1,868,999
Supporting services:						
Management and general	177,498		177,498		177,498	170,716
Fundraising	143,302		143,302		143,302	168,463
Total supporting services	320,800	0	320,800	0	320,800	339,179
Total expenses	2,204,695	0	2,204,695	0	2,204,695	2,208,178
Change in net assets	(617,744)	12,273	(605,471)	392,321	(213,150)	(80,216)
Net assets - beginning of year	591,647	209,151	800,798	200,000	1,000,798	1,081,014
Net assets - end of year	($26,097)	$221,424	$195,327	$592,321	$787,648	$1,000,798

The attached notes and auditor's report are an integral part of these financial statements.

READWORKS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2018

	Without Donor Restrictions				
	Operations	Board Designated	Total	With Donor Restrictions	Total
Public support and revenue:					
Contributions	$1,616,753		$1,616,753	$200,000	$1,816,753
Contract Services	274,188		274,188		274,188
Licensing income	37,596		37,596		37,596
Investment loss (Note 3)	(1,729)	$336	(1,393)		(1,393)
Miscellaneous income	818		818		818
Net assets released from restrictions	374,532		374,532	(374,532)	0
Total public support and revenue	2,302,158	336	2,302,494	(174,532)	2,127,962
Expenses:					
Program services:					
Curriculum	321,023		321,023		321,023
Teacher training	337,564		337,564		337,564
Online delivery, assessment and evaluation	930,703		930,703		930,703
Client development	279,709		279,709		279,709
Total program services	1,868,999	0	1,868,999	0	1,868,999
Supporting services:					
Management and general	170,716		170,716		170,716
Fundraising	168,463		168,463		168,463
Total supporting services	339,179	0	339,179	0	339,179
Total expenses	2,208,178	0	2,208,178	0	2,208,178
Change in net assets	93,980	336	94,316	(174,532)	(80,216)
Net assets - beginning of year	497,667	208,815	706,482	374,532	1,081,014
Net assets - end of year	$591,647	$209,151	$800,798	$200,000	$1,000,798

The attached notes and auditor's report are an integral part of these financial statements.

READWORKS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	Program Services					Supporting Services				
	Curriculum	Teacher Training	Online Delivery, Assessment & Evaluation	Client Development	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 8/31/19	Total 8/31/18
Salaries	$169,462	$155,951	$609,019	$176,043	$1,110,475	$26,035	$30,800	$56,835	$1,167,310	$1,096,530
Payroll taxes and benefits	23,379	21,515	84,020	24,287	153,201	3,592	4,249	7,841	161,042	148,784
	192,841	177,466	693,039	200,330	1,263,676	29,627	35,049	64,676	1,328,352	1,245,314
Professional fees and services	42,943	15,811	241,343	68,667	368,764	128,643	98,173	226,816	595,580	554,597
Occupancy	10,485	9,649	37,680	10,891	68,705	1,610	1,906	3,516	72,221	69,604
Curriculum materials	3,865				3,865			0	3,865	19,308
Insurance	1,598	1,471	5,744	1,660	10,473	246	291	537	11,010	18,982
Membership fees			5,980	47,718	53,698		911	911	54,609	48,199
Miscellaneous	200			406	606	5,203	609	5,812	6,418	7,020
Communications and IT	885	815	3,181	919	5,800	136	161	297	6,097	6,043
Printing	1,077			37	1,114	820	2,292	3,112	4,226	21,259
Office supplies and equipment	231	212	830	240	1,513	1,165	42	1,207	2,720	4,903
Conferences				115	115	499	50	549	664	0
Postage and shipping					0	927	339	1,266	1,266	888
Travel	609	134	5,361	350	6,454	1,601	730	2,331	8,785	4,099
Bank charges					0	4,698		4,698	4,698	1,730
Total expenses before depreciation	254,734	205,558	993,158	331,333	1,784,783	175,175	140,553	315,728	2,100,511	2,001,946
Depreciation	15,125	13,919	54,356	15,712	99,112	2,323	2,749	5,072	104,184	206,232
Total expenses	$269,859	$219,477	$1,047,514	$347,045	$1,883,895	$177,498	$143,302	$320,800	$2,204,695	$2,208,178

See accompanying independent auditor's report.

READWORKS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2018

	Program Services					Supporting Services			
	Curriculum	Teacher Training	Online Delivery, Assessment & Evaluation	Client Development	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 8/31/18
Salaries	$142,931	$198,008	$543,877	$109,713	$994,529	$6,647	$95,354	$102,001	$1,096,530
Payroll taxes and benefits	19,394	26,867	73,797	14,886	134,944	902	12,938	13,840	148,784
	162,325	224,875	617,674	124,599	1,129,473	7,549	108,292	115,841	1,245,314
Professional fees and services	27,781	16,251	249,858	75,264	369,154	141,673	43,770	185,443	554,597
Occupancy	20,881	20,881	13,922	6,960	62,644	3,480	3,480	6,960	69,604
Curriculum materials	19,308				19,308			0	19,308
Insurance	5,695	5,695	3,796	1,898	17,084	949	949	1,898	18,982
Membership fees	27		585	46,933	47,545	421	233	654	48,199
Miscellaneous		4,527	53	979	5,559	1,438	23	1,461	7,020
Communications and IT	1,813	1,813	1,209	604	5,439	302	302	604	6,043
Printing	20,769				20,769	163	327	490	21,259
Office supplies and equipment	554	952	880	185	2,571	2,240	92	2,332	4,903
Postage and shipping				54	54	459	375	834	888
Travel		700	1,480	1,611	3,791		308	308	4,099
Bank charges					0	1,730		1,730	1,730
Total expenses before depreciation	259,153	275,694	889,457	259,087	1,683,391	160,404	158,151	318,555	2,001,946
Depreciation	61,870	61,870	41,246	20,622	185,608	10,312	10,312	20,624	206,232
Total expenses	$321,023	$337,564	$930,703	$279,709	$1,868,999	$170,716	$168,463	$339,179	$2,208,178

See accompanying independent auditor's report.

READWORKS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	8/31/19	8/31/18
Cash flows from operating activities:		
Change in net assets	($213,150)	($80,216)
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	104,184	206,232
Realized and unrealized (gain)/loss on investments	(5,283)	6,486
Changes in assets and liabilities:		
Pledges receivable	(223,430)	69,000
Prepaid expenses	8,534	(279)
Accounts payable and accrued expenses	2,545	(8,512)
Deferred revenue	0	(24,188)
Total adjustments	(113,450)	248,739
Net cash flows (used for)/provided by operating activities	(326,600)	168,523
Cash flows from investing activities:		
Purchases of fixed assets	(3,728)	(2,459)
Purchases of investments (dividends re-invested)	(6,990)	(6,822)
Net cash flows used for investing activities	(10,718)	(9,281)
Net (decrease)/increase in cash and cash equivalents	(337,318)	159,242
Cash and cash equivalents - beginning of year	514,055	354,813
Cash and cash equivalents - end of year	$176,737	$514,055

No interest or taxes were paid.

The attached notes and auditor's report are an integral part of these financial statements.

READWORKS, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

Note 1 - Nature of Entity

ReadWorks, Inc. (the "Organization") was formally introduced in November 2010. ReadWorks is committed to solving America's reading comprehension crisis and student achievement gap. Driven by cognitive science research, ReadWorks creates world class content, teacher guidance, and integrated tools that improve teacher effectiveness and student achievement.

Reading comprehension is the most important 21st century skill. In this Information Age you will fail if you cannot read and comprehend, as reading comprehension is the foundation for all other learning and knowledge. Yet teachers and students are failing; they have been left to sink or swim.

The vast majority of teachers simply have not been trained in how to teach reading comprehension effectively, based on proven cognitive science. And widely used reading materials and curricula are often ineffective and of low-quality.

That is why ReadWorks provides educators with What to Teach & How To Teach It. ReadWorks provides K-12 teachers with what they need to have the biggest impact on instruction and learning in the classroom — online, for free, to be shared broadly. ReadWorks provides:

- The largest, highest-quality library of curated nonfiction and literary articles in the country, with research-based curriculum and formative assessments;
- Reading comprehension units, lessons, and vocabulary — with innovative instructional design featuring embedded teacher training — aligned to all states' standards;
- Teacher guidance and support to fundamentally and permanently improve teacher decision-making and effectiveness;
- An unrivaled online, interactive user experience for teachers and students, and
- A range of innovative and impactful products, such as ReadWorks Article-A-Day™.

The reading comprehension crisis is our national education crisis. And ReadWorks is perfectly positioned to solve this crisis. According to a recent April 2016 RAND report: ReadWorks is the most consulted nonprofit provider of online ELA curriculum and teacher guidance in the U.S. among elementary teachers seeking instructional support. ReadWorks now has more than 1 million active teacher users supporting their students. 88% of all K-8 public schools in the U.S. have active ReadWorks teacher users, and 91% of the lowest-income K-8 public schools have active ReadWorks teacher users.

The client development program includes all of the efforts to find and build viable business partnerships including technology partners, content partners, professional development partners, and research partners. The goal of these initiatives is to enrich our education program offerings and perhaps provide introductions to potential funders or funding ideas. ReadWorks has innovative partnerships with the most prestigious museums and cultural institutions in the country and has been supported by the Bill and Melinda Gates Foundation, the Brooke Astor Fund for New York City Education, and the NewSchools VentureFund.

In July 2016, ReadWorks launched a next-generation, best-in-class, interactive digital platform for both teachers and students.

ReadWorks also provides unrivaled efficiency and return-on-investment, providing an entire year's worth of ReadWorks at a cost to us of approximately $1.58 per teacher per year, or 9 cents per student per year.

The primary sources of revenue for the Organization are contributions and content sub-licensing agreements.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective September 1, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 10).

Implementation of ASU No. 2016-14 did not require any reclassification or restatement of any opening balances related to the periods presented.

b. Basis of Presentation

As a not-for-profit organization, the Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. The Board of Directors has designated the investment account as a board designated reserve fund.

- *Net Assets With Donor Restrictions* – relates to contributions of cash or other assets with donor stipulations that make clear the assets' restriction, either due to a program nature or by the passage of time.

c. Revenue Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the net asset classes referred to above based on the existence or absence of any donor stipulations. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Contributions whose restrictions expire in the same year they are received are recorded as without donor restrictions.

Contract services revenue have been recognized as income when earned under the terms of the contract. The difference between cash received and revenue recognized is reflected as receivable or refundable advances.

d. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit

Financial instruments that potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities, which are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. A portion of the funds is not insured; however, the Organization has not experienced any losses from these accounts.

The market value of investments is subject to fluctuation; however management believes the investment policy is prudent for the long-term welfare of the Organization.

f. Investments

Investments with readily available market prices are carried at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in income on the statement of activities. See Note 3 for additional information.

g. Pledges and Accounts Receivable

Pledges due within one year are reported at net realizable value. Pledges that are due in more than one year are recorded at fair value, using a risk adjusted discount rate of return, when deemed material. Conditional pledges are recognized when the conditions on which they depend are substantially met. Based on a review of specific accounts and recent history, no allowance for uncollectible amounts has been deemed necessary.

h. Fixed Assets

Fixed assets over $1,000 to which the Organization retains title and capital items purchased, which benefit future periods, are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets consist of furniture, equipment, computers, computer software, and website costs, which are carried at cost and depreciated over their estimated useful lives using the straight-line method.

i. In-Kind Contributions

Organizations are required to recognize contributions of services at fair value if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions.

j. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated by time and effort:

- Salaries
- Payroll taxes and benefits
- Occupancy
- Insurance
- Communications and IT
- Office supplies and equipment
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

l. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending August 31, 2016 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncements

FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the August 31, 2020 year, with early implementation permitted, provides guidance on whether a receipt from a third-party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the August 31, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the August 31, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments consist of a fixed income securities mutual fund which was measured using Level 1 inputs.

Net investment income/loss consists of the following:

	8/31/19	8/31/18
Interest and dividend income – investments	$5,818	$5,037
Interest income – money market	296	56
Realized gain on investments	3,589	0
Unrealized gain/(loss) on investments	1,694	(6,486)
Total	$11,397	($1,393)

Note 4 - Pledges Receivable and Significant Concentration

Pledges receivable are expected to be collected in the following periods:

		8/31/19	8/31/18
Year ending:	August 31, 2019	$0	$100,000
	August 31, 2020	423,430	100,000
		$423,430	$200,000

100% of the amount outstanding at August 31, 2018 was from one donor.

Note 5 - Fixed Assets

Fixed assets consist of the following:

	8/31/19	8/31/18	Estimated Useful Life
Computers and software	$62,559	$58,831	*3-5 years*
Website	608,825	608,825	*3 years*
	671,384	667,656	
Less: accumulated depreciation	(664,230)	(560,046)	
Fixed assets	$7,154	$107,610	

Note 6 - Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following:

	8/31/19	8/31/18
Operating:		
Net investments in fixed assets	$7,154	$107,610
Undesignated funds	(33,251)	484,037
	(26,097)	591,647
Board designated	221,424	209,151
Net assets without donor restrictions	$195,327	$800,798

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions can be summarized as follows:

	August 31, 2019			
	9/1/18	Contributions	Released	8/31/19
Programs	$0	$1,000,000	($507,679)	$492,321
Time periods	200,000	0	(100,000)	100,000
Total	$200,000	$1,000,000	($607,679)	$592,321

	August 31, 2018			
	9/1/17	Contributions	Released	8/31/18
Programs	$374,532	$0	($374,532)	$0
Time periods	0	200,000	0	200,000
Total	$374,532	$200,000	($374,532)	$200,000

Note 8 - Commitments and Contingencies

The Organization’s facility is leased on a month-to-month lease.

In the normal course of business, the Organization could be subject to claims, lawsuits, and other matters that are subject to uncertain future events. Management has not been advised by legal counsel that there are any matters that are probable of future payouts and no reserves have been established.

Note 9 - Retirement Plan

The Organization has a retirement plan under IRS Section 403(b). Eligible employees may contribute pre-tax amounts of their salary up to IRS maximum limits. No employer contributions are required to be made.

Note 10 - Liquidity and Availability of Financial Resources

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on contributions, and earned income to fund its operations and program activities.

The following reflects the Organization's financial assets that are available to meet cash needs for general expenditures within one year of the date of the statement of financial position:

Financial assets at year-end:		
Cash and cash equivalents	$176,737	
Investments	221,424	
Pledge receivables	423,430	
Total financial assets		$821,591
Less amounts not available for general expenditures:		
Donor-imposed restrictions - Program	(492,321)	
Board designated fund	(221,424)	
Total amounts not available for general expenditures		(713,745)
Financial assets available to meet cash needs for general expenditures within one year		$107,846

Note 11 - Subsequent Events

Management has evaluated the impact of all subsequent events through June 4, 2020, which is the date that the financial statements were available to be issued.

Subsequent to year end, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a Public Health Emergency of International Concern. This could adversely affect the Organization's donors, program participants, and suppliers as a result of quarantines, facility closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. This could decrease spending, adversely affect demand for the Organization's services and harm the Organization's business and results of operations. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact of such on the Organization's business cannot be quantified.

On May 1, 2020, the Organization obtained a loan from the SBA in the amount of $161,610 through the Payroll Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during the covered period subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a five-year period, with a six-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these financial statements.