Interfaith Social Services Inc

Financial Statements

June 30, 2021

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INTERFAITH SOCIAL SERVICES INC

Index

June 30, 2021

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Independent Auditor's Report

To the Board of Directors of
Interfaith Social Services Inc

We have audited the accompanying financial statements of Interfaith Social Services Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Social Services Inc as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

Braintree, Massachusetts
June 3, 2022

Interfaith Social Services Inc

Statement of Financial Position

As of June 30, 2021

Current Assets		
Cash and cash equivalents	$	1,040,254
Accounts receivable		14,699
Contributions receivable		75,625
Inventory		84,598
Investments, short term		187,062
Prepaid expenses		28,509
Total current assets		1,430,747
Fixed Assets		
Land		50,000
Building		515,213
Building improvements		473,190
Office furniture, equipment & software		182,144
Total fixed assets		1,038,403
Less: accumulated depreciation		(449,724)
Total net fixed assets		770,823
Other Assets		
Investments, long term		208,977
Total other assets		208,977
Total Assets	$	2,410,547

The accompanying notes are an integral part of the financial statements.

Interfaith Social Services Inc

Statement of Financial Position - continued

As of June 30, 2021

Current Liabilities		
Accounts payable	$	13,714
Accrued expenses		112,392
Deferred revenue		5,345
Total current liabilities		131,451
Total Liabilities		131,451
Net Assets		
Net assets without donor restrictions		2,170,702
Net assets with donor restrictions		108,394
Total Net Assets		2,279,096
Total Liabilities and Net Assets	$	2,410,547

The accompanying notes are an integral part of the financial statements.

Interfaith Social Services Inc

Statement of Activities

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants, contributions and events, net	$ 1,649,708	$ 108,394	$ 1,758,102
Donated goods and services	1,526,971	-	1,526,971
Bureau drawer thrift shop	139,012		139,012
Program service fees	63,594	-	63,594
Miscellaneous income	3,995	-	3,995
Net assets released from restrictions	75,181	(75,181)	-
Total Revenue and Support	3,458,461	33,213	3,491,674
Expenses			
Management and general	193,223	-	193,223
Fundraising	205,508	-	205,508
Program services	2,422,551	-	2,422,551
Total Expenses	2,821,282	-	2,821,282
Change in Net Assets	637,179	33,213	670,392
Net Assets at Beginning of Year	1,533,523	75,181	1,608,704
Net Assets at End of Year	$ 2,170,702	$ 108,394	$ 2,279,096

The accompanying notes are an integral part of the financial statements.

Interfaith Social Services Inc

Statement of Functional Expenses

For the Year Ended June 30, 2021

	Counseling	Homelessness Prevention	Food Pantry	Bureau Drawer	Total Program Services	Management and General	Fundraising	Total
Donated food	$ -	$ -	$ 1,348,131	$ -	$ 1,348,131	$ -	$ -	$ 1,348,131
Salaries and benefits	227,267	36,879	205,638	31,640	501,424	66,013	127,140	694,577
Donated goods and services	-	-	145,931	-	145,931	26,964	-	172,895
Assistance	-	100,979	32,107	-	133,086	-	2,431	135,517
Office expenses	22,262	9,149	25,814	11,824	69,049	28,909	8,893	106,851
Consultants and professional fees	2,725	-	528	-	3,253	43,315	26,485	73,053
Purchased food	-	-	65,808	-	65,808	-	-	65,808
Payroll taxes	20,583	2,839	15,220	2,000	40,642	4,068	8,961	53,671
Depreciation	10,815	1,475	20,647	12,290	45,227	2,458	1,475	49,160
Repairs and maintenance	6,459	533	13,660	8,389	29,041	1,385	1,092	31,518
Other operating expenses	-	-	8,043	375	8,418	12,720	6,869	28,007
Postage and printing	710	90	564	83	1,447	2,109	21,064	24,620
Utilities	3,623	354	6,918	4,118	15,013	811	658	16,482
Advertising	2,669	133	4,453	2,107	9,362	2,600	421	12,383
Dues, subscriptions and other fees	1,006	4	214	4,485	5,709	1,871	19	7,599
Bad debt	1,010	-	-	-	1,010	-	-	1,010
	$ 299,129	$ 152,435	$ 1,893,676	$ 77,311	$ 2,422,551	$ 193,223	$ 205,508	$ 2,821,282

The accompanying notes are an integral part of these financial statements.

Interfaith Social Services Inc

Statement of Cash Flows

For the Year Ended June 30, 2021

Cash Flows from Operating Activities	
Change in Net Assets	$ 670,392
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	49,160
Decrease (increase) in assets	
Accounts receivable	(11,051)
Contributions receivable	(75,625)
Inventory	(16,914)
Prepaid expenses	(13,083)
Increase (decrease) in liabilities	
Accounts payable	(15,475)
Accrued expenses	70,313
Deferred revenue	(21,493)
Net Cash Provided by Operating Activities	636,224
Cash Flows from Investing Activities	
Purchase of fixed assets	(98,795)
Proceeds from the sale of investments	26,997
Purchase of investments	(29,142)
Net Cash Used in Investing Activities	(100,940)
Net Increase in Cash and Cash Equivalents	535,284
Cash and Cash Equivalents - Beginning	504,970
Cash and Cash Equivalents - Ending	$ 1,040,254

The accompanying notes are an integral part of the financial statements.

(1) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by Interfaith Social Services Inc (the Agency) are described below to enhance the usefulness of the financial statements to the reader.

(a) Nature of Activities

The Agency is a non-profit organization dedicated to improving life for South Shore families and individuals in need. The Agency has a unique approach that relies on a team of volunteers, donors and community partners to deliver compassionate, client centered programs focused on hunger, mental health, and emergency assistance.

The Agency provides food and clothing for needy families through the Pantry Shelf and Career Closet programs which are staffed by volunteers. The Agency's New Directions Counseling Center provides counseling services on a generous sliding-fee scale to adults, children, couples, and families. HomeSafe is a homelessness prevention and emergency assistance program. The Bureau Drawer Thrift Shop offers low-cost clothing and household goods to the community.

(b) Basis of Presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Agency's ongoing efforts. Bureau drawer thrift shop revenue consists of the results of operating the Agency's Bureau Drawer Thrift Shop.

(c) Standards of Accounting and Reporting

The Agency's net assets (excess of its assets over liabilities) and its revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Agency are presented as follows:

The class of net assets applicable to the Agency is presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

(1) Summary of Significant Accounting Policies - continued

(c) Standards of Accounting and Reporting - continued

Net Assets With Donor Restrictions - Net assets that are subject to donor imposed stipulations that may or will be met, either by actions of the Agency and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the same reporting period in which the contributions are recognized.

(d) Cash and Cash Equivalents

The Agency considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

The Agency maintains its cash balances at various financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Agency has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2021.

(e) Investments

The Agency carries investments in certificates of deposit at fair value. Interest is recorded when earned and reported on the statement of activities within miscellaneous income. Gains and losses are recognized as incurred or based on fair value changes during the period. Investments are exposed to risks such as interest rate, credit, and overall market volatility.

As of June 30, 2021, all investments are in certificates of deposit. Certificates of deposit that are due to mature within one year are included in investments - short term on the statement of financial position and certificates of deposit due to mature in more than one year are included in investments - long term on the statement of financial position. All investments are due to mature within two years of June 30, 2021.

(f) Revenue Recognition

The Agency earns revenue as follows:

The Agency generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Agency evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

(1) Summary of Significant Accounting Policies - continued

(f) Revenue Recognition - continued

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Agency must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Agency should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in contributions without donor restrictions.

Grants - The Agency receives funding from grantors for direct and indirect program costs associated with specific programs and projects. Various grants are subject to certain barriers as outlined in the agreement. Revenue is recognized as the barrier is met. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged, and the funds are released from restriction when the restriction has been met. Grants with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Special Events - Special event revenue is primarily derived from contributions, ticket sales, and fees charged for admission at the Agency's annual GALA. Special events revenue is recognized when earned and is shown net of immaterial related direct expenses in the accompanying statement of activities.

Donated Goods - Donations of goods are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with donor restrictions to net assets without donor restrictions.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Agency.

(1) Summary of Significant Accounting Policies - continued

(f) Revenue Recognition - continued

Bureau Drawer Thrift Shop - Bureau drawer thrift shop revenue represents sales of clothing and other secondhand items donated to the Agency. In store revenues are reported net of estimated returns and allowances and are recognized when the related goods are delivered.

Program Service Fees - Program service fee revenue is earned and recognized by the Agency when services are provided, and the performance obligation has been met.

Substantially all of the revenue and receivables are related to activities in Massachusetts. During the year ended June 30, 2021, the Agency received approximately 23% of its total donated goods from one nonprofit organization in Massachusetts.

(g) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2021, management has determined any allowance would be immaterial.

The Agency does not have a policy to accrue interest on receivables. The Agency has no policies requiring collateral or other security to secure the accounts receivable.

(h) Contributions Receivable

Conditional contributions receivable are not recognized in the financial statements until the conditions are substantially met. Unconditional contribution receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, receivables with payments due in future periods are restricted to use after the due date.

Unconditional contributions receivable are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual contributions. As of June 30, 2021, management has determined any allowance would be immaterial.

As of June 30, 2021, 93% of the Agency's contributions receivable are due from one foundation and 7% from one individual. All amounts are receivable in less than one year.

(1) Summary of Significant Accounting Policies - continued

(i) Inventory

The Agency's inventory consists primarily of clothes and other secondhand items that have been donated to the Agency for resale in its thrift store as well as perishable and nonperishable foods and related products. Clothes and other secondhand items inventory is valued based upon how much buyers pay for them, and is estimated as of June 30, 2021 using average month's of sales available as of year-end. Donated food and related products inventory items are valued, based upon weight, at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by an international CPA firm dated December 31, 2020 prepared for Feeding America for use by member food banks.

(j) Fixed Assets and Depreciation

Fixed assets are recorded at cost or, if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Agency computes depreciation using the straight-line method over the following estimated lives:

Building	25-40 years
Building improvements	10-40 years
Office furniture, equipment & software	5-15 years

Fixed assets are reviewed for impairment if the use of the asset significantly changes or another indicator or possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

(k) Fundraising Expenses

Fundraising relates to the activities of individuals in raising general and specific contributions for the Agency and promoting special events.

(l) Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency. Payroll and associated costs are allocated to functions based upon time studies. Occupancy costs are allocated based upon square footage.

(1) Summary of Significant Accounting Policies - continued

(m) Use of Estimates

In preparing the Agency's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

(n) Income Taxes

The Agency qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Agency is not a private foundation under Section 509(a)(1).

Generally, the Agency's information/tax returns remain open for possible federal income tax examination for three years after the filing date. The Agency is not currently under examination by any taxing jurisdiction.

(o) Recent Accounting Standards Adopted

On July 1, 2020, the Agency adopted ASU 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, ASC 606). ASC 606 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and requires the reporting entity to recognize revenues when control of promised goods or services is transferred to customers and at an amount that reflects the consideration to which the Agency expects to be entitled in exchange for those goods or services. On July 1, 2020, the Agency adopted ASC 606 using the modified retrospective method applied to those contracts which were not completed as of July 1, 2020 (the practical expedient elected). Results for reporting periods beginning after July 1, 2020, are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Agency's historic accounting under ASC 605.

There were no material changes in the timing of recognition of revenue and, therefore, there were no adjustments to the opening balance of net assets without donor restrictions. The Agency does not expect the adoption of the new revenue standard to have a significant impact on its changes in net assets on an ongoing basis.

(1) Summary of Significant Accounting Policies - continued

(p) Recent Accounting Standards

In June 2020, FASB issued ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842). ASU 2020-05 deferred the implementation date of ASU 2016-02 and ASU 2014-09 by one year. The Agency has adopted ASU 2014-09. ASU 2016-02 is described below.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU was set to be effective on January 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Agency is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In July 2018, FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases* and *ASU 2018-11, Leases (Topic 842), Targeted Improvements*. In December 2018, FASB issued ASU 2018-20, *Leases (Topic 842), Narrow-Scope Improvements for Lessors*. Adoption of these ASUs will run concurrent with the Agency's adoption of ASU 2016-02.

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets.* The amendments in this update address presentation and disclosure of contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021. The Agency is currently evaluating the impact the adoption of this new standard will have on its financial statements.

(2) Employee Benefits - Defined Contribution Plan

The Agency has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 401(k) of the IRC for the benefit of all employees. Under the retirement plan, employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. The plan is available to all employees. The Agency's policy is to make contributions of 6% of payroll and bonuses for all employees. During the year ended June 30, 2021, the Agency contributed $39,336 to the plan which is included in salaries and benefits on the statement of functional expenses.

(3) Net Assets

(a) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2021, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified purpose:		
New Directions Counseling Center program	$	10,000
Pantry Shelf and Career Closet program		10,000
HomeSafe program		8,000
Other		4,769
Total		32,769
Subject to the passage of time:		
For periods after June 30, 2021		75,625
Total net assets with donor restrictions	$	108,394

Net assets released from restrictions during the year ended June 30, 2021 were $75,181, of which $25,181 was from program restrictions and $50,000 was from time restrictions.

(b) Net Assets Without Donor Restrictions

The Agency's net assets without donor restrictions are comprised of undesignated amounts.

(4) Liquidity and Availability of Resources

The following reflects the Agency's financial assets as of June 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end	
Cash and cash equivalents	1,040,254
Investments, short term	187,062
Accounts and contributions receivable	90,324
Total	1,317,640
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors for specific purposes	32,769
Total	32,769
Financial assets available to meet cash needs for general expenditures within one year	1,284,871

(4) Liquidity and Availability of Resources - continued

The Agency has a goal to maintain financial assets, which consist primarily of cash and investments, on hand to meet 10 months of budgeted general cash operating expenses for the next year. The Agency generally anticipates a balanced budget for the next year and separate fundraising, as necessary, is done for any anticipated significant capital expenditures. In addition, as part of its liquidity management, the Agency invests cash in excess of daily requirements in various certificates of deposit.

(5) Donated Goods and Services

Donated goods and services revenue for the year ended June 30, 2021 were as follows:

Donated IT services	$	26,964
Donated food		1,348,131
Donated goods - toys, gifts, backpacks, etc.		151,876
Total	$	1,526,971

The Agency receives additional volunteer services throughout the year that are not recognized as contributions in the financial statements since the Agency has determined that the recognition criteria were not met. The Agency received almost 22,000 volunteer hours throughout the year that are not recorded within these financial statements which the Agency estimates represents almost $770,000 of donated services, utilizing an estimated hourly rate for volunteer services in Massachusetts as derived from a national nonprofit member organization study.

(6) COVID-19 - *Risks and Uncertainties*

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. At this stage, the impact to the Agency's financial position, results of operations, and cash flows has been limited. Further, the Agency's liquidity as of June 30, 2021 is documented at Note 4. The Agency is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Agency's operations continue for an extended period of time the Agency may have to seek alternative measures to finance its operations. The Agency does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity.

(7) Subsequent Events

The Agency has performed an evaluation of subsequent events through June 3, 2022, which is the date the Agency's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in these financial statements.

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