AIDS Connecticut, Inc.

Independent Auditors' Report
Financial Statements

December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
AIDS Connecticut, Inc.

We have audited the accompanying financial statements of AIDS Connecticut, Inc. ("ACT"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to ACT'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 ACT'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 AIDS Connecticut, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Whittlesey PC

Hartford, Connecticut
July 7, 2020

AIDS CONNECTICUT, INC.

Statements of Financial Position

December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 1,031,516	$ 647,273
Grants receivable	665,802	1,036,522
Investments - mutual funds	477,268	486,459
Prepaid expenses	165,309	29,067
Security deposits	2,250	1,575
Property and equipment, net of accumulated depreciation of $54,221 and $52,867, respectively	4,278	5,632
Total assets	$ 2,346,423	$ 2,206,528
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	$ 197,003	$ 176,031
Refundable advances	646,525	747,738
Grants payable	57,956	39,836
Total liabilities	901,484	963,605
Net Assets:		
Net assets without donor restrictions:		
Undesignated	916,228	717,377
Board designated	477,268	486,459
Total net assets without donor restrictions	1,393,496	1,203,836
Net assets with donor restrictions	51,443	39,087
Total net assets	1,444,939	1,242,923
Total liabilities and net assets	$ 2,346,423	$ 2,206,528

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

AIDS CONNECTICUT, INC.

Statement of Activities

For the year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Grants	$ 6,326,386	$ -	$ 6,326,386
Contributions	184,575	21,000	205,575
Interest	7,827	-	7,827
Net realized and unrealized gains on investments	109,832	-	109,832
Miscellaneous income	4,670	-	4,670
Net assets released from restrictions	8,644	(8,644)	-
Total support and revenue	6,641,934	12,356	6,654,290
Expenses:			
Program services:			
Prevention	594,565	-	594,565
HIV treatment and care	2,893,603	-	2,893,603
Financial assistance and training	2,346,146	-	2,346,146
Supporting services:			
Management and general	597,953	-	597,953
Fundraising	20,007	-	20,007
Total expenses	6,452,274	-	6,452,274
Change in net assets	189,660	12,356	202,016
Net assets, beginning of year	1,203,836	39,087	1,242,923
Net assets, end of year	$ 1,393,496	$ 51,443	$ 1,444,939

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

AIDS CONNECTICUT, INC.

Statement of Activities

For the year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Grants	$ 5,133,150	$ -	$ 5,133,150
Contributions	161,756	24,995	186,751
Interest	10,345	-	10,345
Net realized and unrealized losses on investments	(70,353)	-	(70,353)
Miscellaneous income	2,753	-	2,753
Net assets released from restrictions	11,789	(11,789)	-
Total support and revenue	5,249,440	13,206	5,262,646
Expenses:			
Program services:			
Prevention	603,001	-	603,001
HIV treatment and care	1,163,778	-	1,163,778
Financial assistance and training	2,882,007	-	2,882,007
Supporting services:			
Management and general	563,485	-	563,485
Fundraising	16,811	-	16,811
Total expenses	5,229,082	-	5,229,082
Change in net assets	20,358	13,206	33,564
Net assets, beginning of year	1,183,478	25,881	1,209,359
Net assets, end of year	$ 1,203,836	$ 39,087	$ 1,242,923

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

AIDS CONNECTICUT, INC.

Statement of Functional Expenses

For the year ended December 31, 2019

	Prevention	HIV Treatment and Care	Financial Assistance and Training	Management and General	Fundraising	Total
Wages, taxes, and benefits	$ 379,720	$ 1,036,100	$ 561,855	$ 263,768	$ -	$ 2,241,443
Client assistance	-	1,734,752	1,684,408	225	-	3,419,385
Program expenses	157,466	84,070	10,818	52,399	360	305,113
Occupancy	34,065	9,274	-	89,083	-	132,422
Offices expenses and supplies	9,373	19,965	38,394	56,622	-	124,354
Subcontractors	-	-	47,805	-	-	47,805
Professional	8,156	9,329	-	56,812	-	74,297
Information technology	-	-	2,866	43,149	-	46,015
Insurance	840	-	-	13,539	-	14,379
Events	-	-	-	-	17,340	17,340
Lobbying	-	-	-	15,000	-	15,000
Other expenses	4,865	-	-	6,195	2,307	13,367
Depreciation	80	113	-	1,161	-	1,354
Total	$ 594,565	$ 2,893,603	$ 2,346,146	$ 597,953	$ 20,007	$ 6,452,274

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

AIDS CONNECTICUT, INC.

Statement of Functional Expenses

For the year ended December 31, 2018

	Prevention	HIV Treatment and Care	Financial Assistance and Training	Management and General	Fundraising	Total
Wages, taxes, and benefits	$ 373,553	$ 979,676	$ 597,897	$ 317,384	$ -	$ 2,268,510
Client assistance	-	41,000	2,148,166	375	-	2,189,541
Subcontractors	-	-	75,244	-	-	75,244
Program expenses	178,003	87,207	39,923	33,671	834	339,638
Professional	5,120	9,016	6,463	24,457	-	45,056
Occupancy	23,701	29,285	83	74,359	-	127,428
Office expenses and supplies	9,698	17,594	11,518	46,606	-	85,416
Information technology	-	-	2,713	36,013	-	38,726
Insurance	7,841	-	-	15,766	-	23,607
Other expenses	5,085	-	-	-	1,581	6,666
Lobbying	-	-	-	13,500	-	13,500
Events	-	-	-	-	14,396	14,396
Depreciation	-	-	-	1,354	-	1,354
Total	$ 603,001	$ 1,163,778	$ 2,882,007	$ 563,485	$ 16,811	$ 5,229,082

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

AIDS CONNECTICUT, INC.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 202,016	$ 33,564
Adjustments to reconcile change in net assets		
to net change in cash from operating activities:		
Realized and unrealized losses (gains) on investments	(109,832)	70,353
Depreciation	1,354	1,354
(Increase)/decrease in operating assets:		
Grants receivable	370,720	9,828
Prepaid expenses	(136,242)	15,481
Security deposits	(675)	-
Increase/(decrease) in operating liabilities:		
Accounts payable and accrued liabilities	20,972	(117,525)
Refundable advances	(101,213)	74,693
Grants payable	18,120	15,769
Net change in cash from operating activities	265,220	103,517
Cash flows from investing activities:		
Purchases of marketable securities	(25,000)	(150,000)
Sales of marketable securities	150,000	-
Dividend reinvestment income	(5,977)	(3,453)
Net change in cash from investing activities	119,023	(153,453)
Net change in cash	384,243	(49,936)
Cash and cash equivalents, beginning of year	647,273	697,209
Cash and cash equivalents, end of year	$ 1,031,516	$ 647,273

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

NOTE 1 - PURPOSE OF ORGANIZATION:

AIDS Connecticut, Inc.'s ("ACT") mission is to improve the lives of people impacted by HIV through care and supportive services, housing, advocacy and prevention throughout the State of Connecticut. Its vision is to be a recognized leader in the prevention and care of people impacted by HIV, creating new approaches to service, working in collaboration with all stakeholders, and advocating for a dignified, respectful system of service delivery.

Effective January 1, 2020, ACT entered into a Merger Agreement with The Connecticut Association for Human Services, Inc. (CAHS), a Connecticut nonstock corporation exempt from taxation under Section 501(C)(3) of the Internal Revenue Code. Effective January 1, 2020 ACT merged its operations and financial activity with CAHS.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

ACT complies with the *Financial Statements of Not-for-Profit Organizations* topic of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification. Under this topic, ACT reports information regarding its financial position and activities according to the following net asset categories:

> *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by the Board of Directors.
>
> *Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of ACT and/or the passage of time, or which may be perpetual.

Cash Equivalents

For the purposes of the statements of cash flows, ACT considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Endowment Assets and Investment Policies

ACT complies with the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* topic of the FASB Codification. This topic provides guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA").

Endowment Spending Policy

The Board policy specifies that the capital to the endowment will be retained and invested and that there will be no withdrawal of capital or earnings except upon approval by the Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Grants and Contracts

ACT receives grant and contract funding from various federal and state governments to provide a variety of program services to the public based on certain performance requirements included in the agreement, and the incurrence of allowable qualifying expenses and other requirements. Such government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as revenue when conditions are satisfied, typically when ACT has incurred expenditures in compliance with specific contract or grant provisions.

Management believes grants receivable represent negligible credit risk. Accordingly, management has not established an allowance for potential credit losses. Cash received on government grants and contracts prior to incurring allowable expenses are recorded as refundable advances.

For the year ended December 31, 2019, approximately 10% and 85% of ACT's funding came from the State of Connecticut and the federal government, respectively. For the year ended December 31, 2018, approximately 20% and 76% of ACT's funding came from the State of Connecticut and the federal government, respectively. These funds are mainly received through the Department of Housing & Urban Development, State of Connecticut Department of Public Health, Department of Housing and the City of Hartford Health Department.

At December 31, 2019, ACT also had unexpended grants of approximately $4,496,057 that have not been recognized pending fulfillment of conditions associated with the awards.

Contributions

Contributions are defined as voluntary, nonreciprocal transfers. Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as net assets with donor restrictions support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions that are received and released in the same period are presented with without donor restrictions. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to one or more program functions of ACT. Those expenses include payroll and staffing costs, rent and utilities, and certain travel expenses. Payroll and staffing costs are allocated based on the time and effort expended by ACT's employees. Rent, utilities and travel costs are allocated based on the proportion of full-time employee equivalents of an individual program or other supporting service versus the total full-time employee equivalents of ACT.

Donated Services

Accounting for Contributions Received and Contributions Made requires recognition of donated services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services were provided, but were not recognized as revenue in the financial statements since they do not meet the criteria for recognition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Income Taxes

ACT is organized as a Connecticut non-stock corporation and is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity 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. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The FASB *Accounting Standards Codification* ("ASC") 820, *Fair Value Measurements*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect ACT's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 or 2018.

Mutual Funds: Valued at the quoted net asset value of shares held by ACT at year end.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Adoption of New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ACT adopted this ASU on January 1, 2019.

ACT implemented ASU 2014-09 using the modified retrospective method of application on January 1, 2019. Therefore, the comparative information has not been restated and continues to be reported under the accounting standards in effect for that period. As a result of this change in accounting guidance, ACT updated its revenue recognition policies and disclosures.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The amendments in this Update provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional. ACT adopted this ASU on January 1, 2019.

ACT implemented ASU 2018-08 using the modified prospective method of application. Therefore, the new guidance was applied to revenue that had not yet been recognized on agreements that were not completed as of January 1, 2019 and revenue related to agreements that were entered into after January 1, 2019. The comparative information has not been restated and continues to be reported under the accounting standards in effect for that period. As a result, there was no cumulative effect adjustment to opening net assets without donor restrictions or opening net assets without donor restrictions as of January 1, 2019.

NOTE 3 - MARKETABLE SECURITIES:

Marketable securities are stated at fair value and are comprised of the following at December 31,:

	2019			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 477,268	$ -	$ -	$ 477,268
Total	$ 477,268	$ -	$ -	$ 477,268

	2018			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 486,459	$ -	$ -	$ 486,459
Total	$ 486,459	$ -	$ -	$ 486,459

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are as follows as of December 31,:

	2019	2018
Purpose restrictions:		
Female Condom Project	$ 5,799	$ 5,799
Broadway Cares - Donation for Naloxone	4,976	4,976
Kiehl's - Donation for Connections	4,056	5,000
Hartford Bar Association	8,376	8,376
PhRMA	4,646	4,646
Broadway Cares - Donation for Syringes	-	3,750
Walgreens	189	639
RTI Int'l-SAT2HIV	1,834	1,834
Artists Against Overdose Event	4,067	4,067
Broadway Cares - Purchase of Narcan	7,500	-
Hartford Foundation of Public Giving	10,000	-
	$ 51,443	$ 39,087

Net assets were released from donor restrictions for the following purposes during the years ended December 31,:

	2019	2018
Broadway Cares - Donation for Syringes	$ 3,750	$ -
Melville Charitable Trust	-	1,770
Walgreens	450	-
Female Condom Project	-	30
Cecil Tengatenga/Ephraim Trust	-	700
PhRMA	-	353
Broadway Cares (Narcan)	-	3,750
RTI Int'l-SAT2HIV	-	11
Artists Against Overdose Event	-	5,175
Ahern Family Foundation	3,500	-
Kiehl's - Donation for Connections	944	-
	$ 8,644	$ 11,789

NOTE 5 - BOARD DESIGNATED ENDOWMENT:

The Board of Directors has deemed it prudent operating policy to maintain a “reserve”, representing a minimum level of funds required to continue current core operations. Board designated endowment activity, which is included in net assets without donor restrictions is as follows for the years ended December 31,:

	2019	2018
Endowment, beginning of year	$ 486,459	$ 403,359
Deposits	25,000	150,000
Withdrawals	(150,000)	-
Investment income	5,977	3,453
Net realized and unrealized gains/(losses) on investments	109,832	(70,353)
Endowment, end of year	$ 477,268	$ 486,459

NOTE 6 - LINE OF CREDIT:

During the year ended December 31, 2019, ACT obtained a $100,000 bank line of credit with a variable interest rate. The line of credit is secured by investments held by ACT. No balances were outstanding as of December 31, 2019 and there is no expiration date on the line.

NOTE 7 - LEASES:

ACT leases office facilities under operating leases which expire October 31, 2021 and February 28, 2022. Rental expense was $129,507 and $124,845 for the years ended December 31, 2019 and 2018, respectively. Future minimum lease payments on these leases are as follows for the years ending December 31,:

2020	$ 80,672
2021	72,666
2022	4,774

NOTE 8 - EMPLOYEE BENEFIT PLAN:

ACT’s eligible employees participate in a 403(b) matching plan. Under this plan, ACT has the option to contribute 3% of eligible employee salary. Eligible employees are defined as any employees who work 500 hours per year. Pension expense totaled $22,679 and $23,702 for the years ended December 31, 2019 and 2018, respectively.

NOTE 9 - CONTINGENCY:

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors.

NOTE 10 - CREDIT RISK:

ACT maintains cash in bank accounts, which at times, may exceed federally insured limits. ACT has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

NOTE 11 - FUNDS HELD BY OTHER:

On July 27, 2007, a designated fund was established by Joel Fried, in the name of Richard B. Fried, through the Hartford Foundation for Public Giving ("HFPG"). AIDS Connecticut, Inc. is the sole income interest beneficiary of the Richard B. Fried Fund, of which these funds are designated for the use to advocate on behalf of people living with HIV/AIDS in Connecticut to ensure a full range of quality housing and services necessary to maximize their potential and live their lives in dignity. 100% of the income generated by the fund will be distributed to ACT, based on HFPG's spending policy. HFPG uses a total return investment approach, with annual spending for designated funds set at 5% of the previous quarters' average market values. This is subject to a floor of 4.25% of current assets and a ceiling of 5.75% of current assets. In the event that ACT was unable to continue its operations, HFPG would retain sole possession of the designated fund and spend the remaining funds according to other charitable purposes described in the original mission statement. Total interest income received from the Richard B. Fried Fund for the years ended December 31, 2019 and 2018 was $2,834 and $2,583, respectively. The total asset value of the Richard B. Fried Fund at December 31, 2019 and 2018 was $71,623 and $61,179, respectively.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects ACT's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions:

	2019	2018
Cash and cash equivalents	$ 1,031,516	$ 647,273
Grants receivable	665,802	1,036,522
Investments	477,268	486,459
Financial assets, at year end	2,174,586	2,170,254
Less those unvailable for general expenditure within one year:		
Net assets restricted by donor with time or purpose restrictions	(51,443)	(39,087)
Investments designated for restriction by the Board	(477,268)	(486,459)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,645,875	$ 1,644,708

As part of ACT's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, ACT has committed lines of credit in the amount of $100,000, which it could draw upon. In addition, ACT invests cash in excess of daily requirements in short-term investments.

ACT's marketable securities are available to be released by the Board for general expenditures should the need arise, as there is no donor-imposed restriction on those funds. ACT's spending policy stipulates that they are to be retained and invested except upon approval of the Board to spend.

ACT is substantially supported by state and federal grants. ACT closely tracks grants that have been received with donor restrictions to assure that these funds are only used for their intended purpose. At this time, ACT anticipates there being sufficient liquidity to meet its general obligations.

NOTE 13 - SUBSEQUENT EVENTS:

ACT monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the period from December 31, 2019 through July 7, 2020, the date on which financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. COVID-19 has caused significant disruption in the national and global economy. ACT's operating activities, liquidity and cash flows may be adversely affected by this global pandemic. While the disruption is currently expected to be temporary, there is uncertainty related to the duration. Therefore, while ACT expects this matter to negatively impact the business, the related financial impact cannot be reasonably estimated at this time.

Additionally, on May 8, 2020, ACT received approval for a Small Business Administration ("SBA") Paycheck Protection Program (PPP) loan in the amount of $366,265. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over the eight week period following the date of funding. In order to qualify for forgiveness, the funding must be spent on eligible payroll expenses, with up to 25%, or $91,566, may be spent on other eligible expenditures, such as mortgage interest, rent and utilities. As outlined by the SBA, any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of six months from disbursement date of loan (interest will accrue). Loan forgiveness provisions have been evolving and changing and may be subject to further revision by the United States Congress.

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