

ROCKY MOUNTAIN MICROFINANCE INSTITUTE
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

AS OF AND FOR THE YEAR ENDED
SEPTEMBER 30, 2022



11852 Shaffer Drive, Building B, Littleton, CO 80127
303.989.7600

Table of Contents

Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Rocky Mountain MicroFinance Institute
Denver, Colorado

Opinion

We have audited the financial statements of Rocky Mountain MicroFinance Institute (the "Organization" or "RMMFI"), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rocky Mountain MicroFinance Institute as of September 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rocky Mountain MicroFinance Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rocky Mountain MicroFinance Institute's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rocky Mountain MicroFinance Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rocky Mountain MicroFinance Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Whipplewood CPAs

March 28, 2023

Rocky Mountain MicroFinance Institute
Statement of Financial Position
September 30, 2022

ASSETS

Assets:	
Cash and equivalents	\$ 2,637,751
Board designated cash - loan funds	992,564
Grants and contributions receivable	511,720
Government grants receivable	33,000
Accounts receivable	6,200
Loans receivable, net	204,896
Prepaid expenses	11,637
Property and equipment, net	2,230
Total assets	\$ 4,399,998

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued liabilities	\$ 57,480
Notes payable - lending program	450,000
Total liabilities	507,480
Net assets	
Net assets without donor restrictions:	
Board designated	1,476,276
Undesignated	277,504
Total net assets without donor restrictions	1,753,780
Net assets with donor restrictions	2,138,738
Total net assets	3,892,518
Total liabilities and net assets	\$ 4,399,998

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

Rocky Mountain MicroFinance Institute
Statement of Activities
For the Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants	\$ 804,100	\$ -	\$ 804,100
Contributions	585,156	-	585,156
Government	195,139	1,938,738	2,133,877
In-kind	11,597	-	11,597
Program service fees received	9,090	-	9,090
Loan interest and fees	4,226	-	4,226
Investment interest and other income	3,593	-	3,593
Net assets released from restrictions	1,335,839	(1,335,839)	-
Total revenues	<u>2,948,740</u>	<u>602,899</u>	<u>3,551,639</u>
Expenses			
Program services	<u>1,957,143</u>	<u>-</u>	<u>1,957,143</u>
Supporting services:			
General and administrative	281,862	-	281,862
Fundraising	188,526	-	188,526
Total supporting services	<u>470,388</u>	<u>-</u>	<u>470,388</u>
Total expenses	<u>2,427,531</u>	<u>-</u>	<u>2,427,531</u>
Changes in net assets	<u>521,209</u>	<u>602,899</u>	<u>1,124,108</u>
Net assets - September 30, 2021	<u>1,232,571</u>	<u>1,535,839</u>	<u>2,768,410</u>
Net assets - September 30, 2022	<u>\$ 1,753,780</u>	<u>\$ 2,138,738</u>	<u>\$ 3,892,518</u>

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

Rocky Mountain MicroFinance Institute
Statement of Functional Expenses
For the Year Ended September 30, 2022

	Program Services	Supporting Services		Total Supporting Services	Total
		Management & General	Fund- Raising		
Employee costs - salaries, taxes, and benefits	\$ 1,576,028	\$ 227,637	\$ 150,468	\$ 378,105	\$ 1,954,133
Direct program payments	88,371	15,364	10,156	25,520	113,891
Direct program payments - grants to entrepreneurs	18,000	-	-	-	18,000
Technology	55,378	7,999	5,287	13,286	68,664
Office expenses	46,865	6,769	4,474	11,243	58,108
Development fees and events	39,400	5,691	3,762	9,453	48,853
Capacity building	33,013	4,768	3,152	7,920	40,933
Staff development	25,690	3,711	2,453	6,163	31,853
Professional fees	24,884	3,594	2,376	5,970	30,854
Rent and occupancy costs	13,093	1,891	1,250	3,141	16,234
Community engagement	10,896	1,574	1,040	2,614	13,510
Insurance	10,526	1,515	1,005	2,520	13,046
In-kind	8,698	-	2,899	2,899	11,597
Depreciation	4,158	1,040	-	1,040	5,198
Dues and memberships	2,143	310	205	514	2,657
Total Expenses	<u>\$ 1,957,143</u>	<u>\$ 281,862</u>	<u>\$ 188,526</u>	<u>\$ 470,388</u>	<u>\$ 2,427,531</u>

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

Rocky Mountain MicroFinance Institute
Statement of Cash Flows
For the Year Ended September 30, 2022

Cash flows from operating activities:	
Change in net assets	\$ 1,124,108
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	5,198
Changes in:	
Grants and contributions receivable	480,780
Accounts receivable	(1,575)
Prepaid expenses	(11,637)
Accounts payable and accrued liabilities	(22,598)
Net cash provided by operating activities	<u>1,574,276</u>
Cash flows from investing activities	
Fixed asset additions	(2,789)
Loan funds - disbursed	(176,306)
Loans funds - payments received	114,649
Net cash used in investing activities	<u>(64,446)</u>
Cash flows from financing activities	
Proceeds from notes payable - lending program	50,000
Net cash used in financing activities	<u>50,000</u>
Net change in cash and cash equivalents	<u>1,559,830</u>
Cash, cash equivalents, and designated cash - beginning of year	<u>2,070,485</u>
Cash, cash equivalents, and designated cash - end of year	<u><u>\$ 3,630,315</u></u>
Reconciliation to statement of financial position	
Cash and cash equivalents - end of year	\$ 2,637,751
Board designated cash - end of year	992,564
Cash, cash equivalents, and designated cash - end of year	<u><u>\$ 3,630,315</u></u>

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Basis of Presentation

Organization

The Rocky Mountain MicroFinance Institute (the “Organization” or “RMMFI”) is a Denver based nonprofit corporation established under the laws of the state of Colorado.

RMMFI creates the space for communities and people of all backgrounds to realize their unique potential through the power of entrepreneurship. RMMFI invests in entrepreneurs’ personal and business development through a proven mix of classroom instruction, coaching, capital, and community. Since 2008, RMMFI has supported the launch or expansion of more than 300 businesses in Colorado, 90% of which are owned by women and/or people of color. RMMFI has made loans totaling over \$1,022,963 and experienced a 94% repayment rate. Intentionally built along the “Idea, Launch, and Thrive” business incubator pathway, RMMFI’s programs help entrepreneurs build strong foundations in both their businesses and their lives. The Organization’s holistic approach brings people, businesses, and communities together to allow individuals to tap into the social and economic benefits of business ownership and create impact for their business, their household, and their community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Designated cash – Loan Funds

The Board of RMMFI has designated certain funds as loan funds. The cash in these accounts are to be used for future loan disbursements under the Organization’s microlending program.

Grants and Contributions Receivable

Grants and contributions receivable are unconditional promises to give in future periods. The Organization uses the allowance method to determine uncollectible grants and contributions receivable. The allowance is based on prior years’ experience and management’s analysis of specific account balances. There was no allowance for uncollectible grants or contributions receivable as of September 30, 2022.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts Receivable

Accounts receivable are uncollateralized amounts due primarily for program services. Management continually evaluates the need for an allowance for uncollectible accounts. Management reviewed the receivable balances as of September 30, 2022, and determined that an allowance is not necessary.

Loans receivable

Loans receivable represent the affordable and accessible business development loan balances the Organization has loaned to low-income individuals to help foster entrepreneurial growth in Colorado communities. At September 30, 2022, outstanding loans ranged from \$500 to \$50,000. In response to COVID 19, loans during and since 2020 have carried interest at 0% per annum. Loans are generally due 6 to 60 months from origination.

The Organization records loans receivable based upon the amount borrowed. Payments received are applied to principal and interest in accordance with the specific terms of each loan. RMMFI periodically evaluates each loan for collectability base upon payment history and other factors. Based upon their analysis, no allowance for uncollectible loans was deemed necessary at September 30, 2022.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair value at the date of donation. The Organization capitalizes property and equipment with a cost or fair value at the date of donation of \$1,000 or more. Depreciation is provided on the straight-line basis, based on the estimated useful lives of the assets.

Net Assets

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, funds to be held for an operating and loan loss reserve.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets (Continued)

Net assets with donor restrictions are subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that those resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization reports conditional contributions restricted by donors as increases in net assets without restrictions if the restrictions and conditions expire simultaneously within the reporting period.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier that is more than trivial and that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when promise to give is received from the donor.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. 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.

Grant Revenues

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Grant Revenues (Continued)

Grant awards that are exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Program Service Revenue

Program service revenue consists primarily of income from educational classes and programs. These revenues are recognized in the period services are performed.

Donated Materials and Services

RMMFI records the value of donated materials and services when there is an objective basis for measuring value. The Organization recognizes the estimated fair value of contributed services that either create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if they were not contributed.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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. Salaries and fringes are allocated based on estimations of time and effort. Indirect costs such as occupancy and office related expenses have been allocated based upon that program or functions total salary cost percentage.

Advertising Costs

The Organization may use advertising to promote its programs. Advertising costs are charged to expense when incurred.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Direct Program expenses

In addition to the loan program, the Organization may, with approval of the Board, make direct payments or awards through programs consistent with their mission, such as community engagement or sponsorship. Since 2021, RMMFI has developed a grant capital program that has allowed grants to support entrepreneur business development. During the year ended September 30, 2022, the Organization disbursed \$18,000 in grants to entrepreneurs.

Concentrations

The Organization maintains cash balances with creditworthy, high quality financial institutions as determined by management. The funds in these bank accounts may, at times, exceed the amounts insured by the Federal Deposit Insurance Corporation. Management does not believe that the Organization is exposed to any significant credit risk with respect to cash.

During the year ended September 30, 2022, the Organization received approximately 47% of revenues and support from a single contributor.

The Organization provides loans to small business owners. To the extent possible, management seeks to limit concentration of credit risk arising from loans receivable through use of personal guarantees, security agreements, and collateral

Income Taxes

RMMFI is a nonprofit corporation and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, contributions to both entities qualify for the charitable contribution deduction under Section 170(b)(1)(A). RMMFI has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization follows the Accounting for Uncertainty in Income Taxes accounting standard, which requires the Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are significant to the financial statements, or which may effect RMMFI's tax exempt status.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurements

The carrying amount reported in the statements of financial position for cash and cash equivalents, grants and contributions receivable, accounts payable, and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the results of reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Newly Implemented Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. Implementation of ASU 2020-07 did not have a material impact on the Organization's financial statements.

Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through the date of the auditor's report, which is also the date the financial statements were available to be issued.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

NOTE 2 NOTES PAYABLE

As of September 30, 2022, notes payable consisted of the following:

Note payable to a foundation for lending program; Interest 1% payable annually; unsecured; \$150,000 due June 1, 2026.	\$ 150,000
Note payable to a foundation for lending program; Interest 1% payable annually; unsecured; \$100,000 due September 30, 2023.	100,000
Note payable to a foundation for lending program; Interest 2% payable annually; unsecured; \$20,000 due December 2024, \$30,000 due Dcember 2025.	50,000
Note payable to a foundation for lending program; Interest 2% payable annually; unsecured; \$20,000 due January 2026, \$30,000 due January 2027.	50,000
Note payable to a foundation for lending program; Interest 1% payable annually; unsecured; \$100,000 due December 30, 2026.	<u>100,000</u>
	<u><u>\$ 450,000</u></u>

As of September 30, 2022, future maturities of notes payable were as follows:

<u>Years Ending</u> <u>September 30,</u>	
2023	\$ 100,000
2024	20,000
2025	30,000
2026	270,000
2027	<u>30,000</u>
	<u><u>\$ 450,000</u></u>

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

NOTE 3 PROPERTY AND EQUIPMENT

As of September 30, 2022, property and equipment was comprised of the following:

Leasehold improvements	\$ 160,442
Technology assets	23,482
Furniture and equipment	<u>4,092</u>
	188,016
Accumulated depreciation	<u>(185,786)</u>
Net property and equipment	<u><u>\$ 2,230</u></u>

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to the passage of time:	
Contributions receivable	\$ 200,000
Subject to expenditure for specified purpose:	
Governmental grants received	<u>1,938,738</u>
Total Net assets with donor restrictions	<u><u>\$ 2,138,738</u></u>

Net assets totaling \$1,335,839 were released from net assets with donor restrictions for the year ended September 30, 2022 as a result of RMMFI incurring expenditures satisfying the restricted purpose.

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

NOTE 5 IN-KIND CONTRIBUTIONS

Donated materials and services are important to the Organization’s operations. Accordingly, they are reflected as contributions in the accompanying financial statements at their estimated fair values when received. Donated materials and services consisted of the following during the year ended September 30, 2022:

Rent	\$	10,097
Marketing		1,500
Total In-Kind		11,597

Numerous individuals volunteer their time and support in support of the Organization and its mission. However, no amounts have been recorded in the financial statements for donated volunteer services, because the criteria for recognition under generally accepted accounting principles have not been satisfied.

NOTE 6 LIQUIDITY AND AVAILABILTY

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of September 30, 2022:

Cash and equivalents	\$	2,635,501
Board designated cash - loan funds		992,564
Grants and contributions receivable		511,720
Government grants receivable		33,000
Accounts receivable		6,200
Loans receivable, current		61,509
Total financial assets		\$ 4,240,494
Less:		
Funds designated for the lending program	\$	992,564
Board designated for operating reserve		433,712
Board designated for loan loss reserves		50,000
Restricted program contributions included in cash and equivalents		1,905,738
Restricted program contributions included in receivables		233,000
		\$ 3,615,014
Total financial assets available for general expenditure		\$ 625,480

Rocky Mountain MicroFinance Institute
Notes to Financial Statements
September 30, 2022

NOTE 6 LIQUIDITY AND AVAILABILTY (CONTINUED)

Although the Organization only intends to spend board designated funds for their designated purpose, board designated amounts could be made available for other purposes if necessary.

RMMFI does not have a formal liquidity policy. The Organization invests financial assets in a manner consistent the concept of prudent money management, seeking maximum returns within reasonable levels of risk.

NOTE 7 RETIREMENT PLAN

The Organization has established a 401(k) retirement plan. All employees are immediately eligible to participate by electing to make voluntary payroll withholding contributions to the plan. At this time, RMMFI does not make matching contributions to the plan.

NOTE 8 COMMITMENTS

RMMFI entered into a one year lease agreement for two spaces from the Housing Authority of the City and County of Denver, effective August 1, 2019. The agreements provide for options to re-new for three additional one-year terms.

One space is for the principal headquarters of the Organization. The other space is subleased to graduates of RMMFI. Rent under the subleased space has been \$0 annually, and there are no formal sub-lease agreements in place. For the year ended September 30, 2022, the Organization recorded an in-kind donation in the amount of \$10,097 for the sub-leased space.

Approximately \$14,050 in minimum rental payments will be due for the final portion of the existing lease in the year ending September 30, 2023. RMMFI is currently in discussions regarding alternatives upon expiration of the current lease in 2023.

Rent and occupancy related expenses, including the in-kind contribution described above totaled \$23,190 for the year ended September 30, 2022.

NOTE 10 RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic”. First identified in late 2019 and known now as COVID-19, the outbreak has impacted individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

COVID-19 may continue to impact various segments of the Organization’s operations and financial results. Management believes that the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.