

**NORTH CAROLINA CONSERVATION NETWORK**

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**FINANCIAL STATEMENTS**

**for the year ended December 31, 2020**

# NORTH CAROLINA CONSERVATION NETWORK

## INDEX TO FINANCIAL STATEMENTS

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	<b><u>Page(s)</u></b>
Independent Auditor's Report	1 - 2
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 - 14



**Langdon & Company** <sup>LLP</sup>  
Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
North Carolina Conservation Network

We have audited the accompanying financial statements of North Carolina Conservation Network (the "Network"), which comprise the statement of financial position as of December 31, 2020, 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Carolina Conservation Network as of December 31, 2020, 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.

***Report on Summarized Comparative Information***

We have previously audited the North Carolina Conservation Network's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Dan goren & Company LLP*

Garner, North Carolina  
May 6, 2021

# NORTH CAROLINA CONSERVATION NETWORK

## STATEMENT OF FINANCIAL POSITION

as of December 31, 2020  
with comparative totals as of December 31, 2019

	ASSETS	
	2020	2019
Current assets:		
Cash and cash equivalents	\$ 3,372,745	\$ 2,772,647
Certificates of deposit	1,037,719	1,021,336
Accounts receivable	-	580
Contributions receivable	26,926	34,745
Grants receivable	100,000	300,000
Prepaid expenses	55,198	27,075
Total current assets	4,592,588	4,156,383
Property and equipment:		
Furniture and equipment	103,787	78,889
Website	15,510	15,510
	119,297	94,399
Less accumulated depreciation and amortization	63,325	48,934
Net property and equipment	55,972	45,465
Other assets, security deposit	15,000	15,000
Total assets	\$ 4,663,560	\$ 4,216,848

	LIABILITIES AND NET ASSETS	
	2020	2019
Current liabilities:		
Accounts payable	\$ 5,585	\$ 9,687
Accrued liabilities	44,397	40,262
Deferred membership dues	12,150	9,125
Current installments of Paycheck Protection Program (PPP) loan	72,540	-
Total current liabilities	134,672	59,074
Noncurrent liabilities:		
Paycheck Protection Program (PPP) loan, less current maturities	151,859	-
Total noncurrent liabilities	151,859	-
Total liabilities	286,531	59,074
Net assets:		
Without donor restrictions:		
Undesignated	1,152,705	1,331,816
Board-designated contingency fund	2,876,783	2,303,490
With donor restrictions	347,541	522,468
Total net assets	4,377,029	4,157,774
Total liabilities and net assets	\$ 4,663,560	\$ 4,216,848

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

# NORTH CAROLINA CONSERVATION NETWORK

## STATEMENT OF ACTIVITIES

for the year ended December 31, 2020  
with comparative totals for 2019

	2020		2019	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>Public support and revenue</b>				
Public support:				
Grants	\$ 40,000	\$ 603,900	\$ 643,900	\$ 429,500
Contributions	1,458,378	675,000	2,133,378	1,199,987
Total public support	<u>1,498,378</u>	<u>1,278,900</u>	<u>2,777,278</u>	<u>1,629,487</u>
Revenue:				
Membership dues	46,930	-	46,930	43,975
Events	-	-	-	13,190
Interest	31,947	-	31,947	60,890
Miscellaneous	7,644	-	7,644	3,391
Total revenue	<u>86,521</u>	<u>-</u>	<u>86,521</u>	<u>121,446</u>
Net assets released from restrictions	<u>1,453,827</u>	<u>(1,453,827)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>3,038,726</u>	<u>(174,927)</u>	<u>2,863,799</u>	<u>1,750,933</u>
<b>Expenses</b>				
Program services	2,175,048	-	2,175,048	1,468,764
Management and general	350,135	-	350,135	210,294
Fundraising	119,361	-	119,361	77,003
Total expenses	<u>2,644,544</u>	<u>-</u>	<u>2,644,544</u>	<u>1,756,061</u>
Change in net assets	394,182	(174,927)	219,255	(5,128)
Net assets, beginning of year	<u>3,635,306</u>	<u>522,468</u>	<u>4,157,774</u>	<u>4,162,902</u>
Net assets, end of year	<u>\$ 4,029,488</u>	<u>\$ 347,541</u>	<u>\$ 4,377,029</u>	<u>\$ 4,157,774</u>

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

# NORTH CAROLINA CONSERVATION NETWORK

## STATEMENT OF FUNCTIONAL EXPENSES

**for the year ended December 31, 2020  
with comparative totals for 2019**

	<b>2020</b>			<b>2019</b>	
	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fund Raising</u></b>	<b><u>Total</u></b>	<b><u>Grand Total</u></b>
Salaries and benefits	\$ 1,129,476	\$ 169,599	\$ 65,356	\$ 1,364,431	\$ 1,265,368
Projects	610,754	85,062	33,829	729,645	65,778
Rent	105,778	15,883	6,121	127,782	123,070
Organizing	198,088	29,677	11,436	239,201	161,584
Professional services	80,334	23,505	-	103,839	42,875
Contracts and maintenance	1,176	297	68	1,541	2,842
Board and staff development	5,352	5,352	-	10,704	10,850
Printing	3,119	468	180	3,767	5,217
Communication	6,927	1,040	401	8,368	7,269
Insurance	-	4,356	-	4,356	4,527
Depreciation and amortization	11,913	1,789	689	14,391	11,137
Dues and subscriptions	-	9,785	-	9,785	11,163
Travel, meals, and lodging	3,221	484	186	3,891	15,812
Meetings	10,132	1,521	586	12,239	23,017
Supplies & Other Expenses	8,778	1,317	509	10,604	5,552
Total expenses	<b>\$ 2,175,048</b>	<b>\$ 350,135</b>	<b>\$ 119,361</b>	<b>\$ 2,644,544</b>	<b>\$ 1,756,061</b>

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

# NORTH CAROLINA CONSERVATION NETWORK

## STATEMENT OF CASH FLOWS

for the year ended December 31, 2020  
with comparative totals for 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from contributors, grantors and programs	\$ 3,043,276	\$ 1,904,130
Cash paid to employees and suppliers	(2,658,243)	(1,702,830)
Interest and dividends received	31,947	60,890
Net cash provided by operating activities	<u>416,980</u>	<u>262,190</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	(16,383)	(19,217)
Purchases of property and equipment	(24,898)	(18,738)
Net cash used in investing activities	<u>(41,281)</u>	<u>(37,955)</u>
Cash flows from financing activities:		
PPP loan proceeds	224,399	-
Net cash provided by financing activities	<u>224,399</u>	<u>-</u>
Net increase in cash	600,098	224,235
Cash at beginning of year	2,772,647	2,548,412
Cash at end of year	<u>\$ 3,372,745</u>	<u>\$ 2,772,647</u>

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



# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

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### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The North Carolina Conservation Network (the "Network") is a not-for-profit organization organized under the General Statutes of North Carolina. The Network was organized through a collaborative effort of North Carolina conservation, environmental justice, and community groups.

The Network supports, trains, and coordinates diverse groups and directly advocates to achieve equitable and sustainable solutions for the environment. Through the efforts of the Network, diverse groups engage in environmental policy decision-making at all levels of government. The result: a North Carolina committed to improving and protecting the state's vast natural resources; fostering environmental justice; and ensuring healthy, sustainable communities with a high quality of life. The Network is the catalyst for active environmental collaboration that ensures state and local officials regularly adopt strong environmental policies and programs. The majority of the Network's revenue is grants and contributions from foundations, corporations, and individuals.

#### Net Assets

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. As discussed in Note 5, the governing board has designated, from net assets without donor restrictions, net assets for a contingency fund.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that 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.

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Network considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Network maintains its cash and cash equivalents and certificates of deposit in various bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. The Network has not experienced any losses in such accounts.

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### Certificates of Deposit

The Network held certificates of deposit totaling \$1,037,719 and \$1,021,336 as of December 31, 2020 and 2019, respectively. The certificates of deposit bear interest from 0.25% to 1.26% and have maturity dates ranging from March through December 2021.

#### Contributions Receivable

Contributions receivable are shown at their net realizable value. Bad debts are reported using the specific charge-off method and are recognized when the contribution's collection becomes doubtful. There were no amounts recorded as bad debt for the years ended December 31, 2020 and 2019.

#### Grants Receivable

Grants receivable consists of unconditional promises to give by grantors. Grants receivable are expected to be collected during the next calendar year and are recorded at net realizable value. Management has determined that no allowance for doubtful accounts was necessary at December 31, 2020 and 2019. One hundred percent of grants receivable was due from one grantor at December 31, 2020 and 2019.

#### Property and Equipment

Property and equipment are recorded at cost on the date of acquisition. Maintenance, repairs, and minor improvements are expensed as incurred. Gains or losses on dispositions are included in the statement of activities. Depreciation and amortization are computed using the straight line method over the estimated useful life of the respective assets. Purchases of \$1,000 or more are capitalized and depreciated. Rates of depreciation are based on estimated useful lives of 4 to 7 years. Included in furniture and equipment on the Statement of Financial Position is \$24,898 of computers not yet placed in service at December 31, 2020.

#### Revenue and Revenue Recognition

##### *Contributions and Grants*

Contributions and grants are recognized when received as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor-imposed restrictions. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using a risk adjusted discount rate. Eighty-nine percent and eighty-eight percent of contributions reflected in the statement of activities for the year ended December 31, 2020 and 2019, respectively, were from two donors.

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

### 1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and Revenue Recognition (Continued)

##### *Contributions and Grants (Continued)*

In-kind contributions of services, materials, or facilities that meet the recording criteria as defined by accounting guidance are recorded at their estimated fair market value on the date of the donation. Such contributions are recorded as in-kind contributions and a corresponding expense on the statement of activities. The Network recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Volunteers and members of the community perform various services for the Network, and these services are significant and form an integral part of the efforts of the Network. The Network does not control the activities of the volunteers as it would paid employees, and there is not a clearly measurable basis for an amount of contributed services to be recorded. Therefore, the Network does not record the amount of volunteer services rendered as a contribution and a corresponding amount as an expense.

##### *Revenue from Contracts with Customers*

Revenue from contracts with customers is disaggregated by type on the Statement of Activities for the year ended December 31, 2020 and 2019.

##### Membership Dues

The Network recognizes membership dues at a point in time when performance obligations are met for related benefits. The performance obligations consist of providing members coalition building, one-on-one consultations, job postings, weekly alerts, webinars, event postings, a news digest, and legislative updates. Revenue recognized for membership dues totaled \$46,930 and \$43,975 as of December 31, 2020 and 2019, respectively.

##### Special Events

The Network typically conducts an online auction fundraiser each year. The Network records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Revenue recognized for services transferred at a point in time related to special events totaled \$0 and \$13,190 as of December 31, 2020 and 2019, respectively.

The Network assesses certain economic factors and the potential for significant changes in those economic factors and its impact on the nature, amount, timing and uncertainty of revenue and cash flows. These factors have been assessed and management feels they have limited impact on the performance of the Network.

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

### 1. **OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

#### **Revenue Recognition** *(Continued)*

##### **Deferred Revenue**

Dues paid in advance are deferred to the membership period to which they relate. Due to the nature and timing of performance and/or transfer of services and products, substantially all contract liabilities at December 31 of each year are recognized in the following year.

##### **Income Taxes**

The Network is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. There is no unrelated business income tax for the years ending December 31, 2020 and 2019.

The Network evaluates any uncertain tax positions. Accordingly, the Network's policy is to record a liability for any tax position taken that is beneficial to the Network, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2020 or 2019.

##### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements.

##### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses that are allocated include salaries and benefits, projects, rent, organizing, contracts and maintenance, printing, communication, depreciation and amortization, travel, meals, and lodging, meetings, and supplies and other expenses, which are all allocated on the basis of estimates of time and effort.

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

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### 1. **OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

#### **Comparative Totals**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Network's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

#### **Paycheck Protection Program ("PPP")**

Funds received pursuant to PPP under Division A, Title I of the CARES Act, enacted March 27, 2020 have been recorded as debt. Interest will be recorded at the stated interest rate of 1%. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The debt will be considered extinguished, and a gain will be recorded once the Network has been "legally released" as the primary obligor.

### 2. **LIQUIDITY AND AVAILABILITY**

The Network is substantially supported by restricted contributions and grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Network must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Network'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. In addition, the Network invests cash in excess of daily requirements in short-term investments. In accordance with the Network's fund management policy, the board designates a portion of any operating surplus to its contingency fund, which may be drawn upon in the event of an immediate liquidity need.

The following reflects the Network's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include the board-designated contingency fund, which could be drawn upon if the governing board approves that action.

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

### 2. LIQUIDITY AND AVAILABILITY (Continued)

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 3,372,745	\$ 2,772,647
Certificates of deposit	1,037,719	1,021,336
Accounts receivable	-	580
Contributions receivable	26,926	34,745
Grants receivable	100,000	300,000
	<u>4,537,390</u>	<u>4,129,308</u>
Less amounts not available to be used within one year, due to:		
Donor-imposed restrictions	(347,541)	(522,468)
Board-designated contingency fund	(2,876,783)	(2,303,490)
	<u>(3,224,324)</u>	<u>(2,825,958)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,313,066</u>	<u>\$ 1,303,350</u>

### 3. DEFINED CONTRIBUTION PLAN

Regular full-time employees become eligible for establishing a SIMPLE IRA retirement plan on the first day of their employment with the Network. Employees have the option to make their own pre-tax contributions to their SIMPLE IRA accounts each pay period. The Network matches three percent of the employee's compensation. In the case of financial hardship and in accordance with federal law, the Network has the ability to reduce the match to not less than one percent of employees' compensation for two out of every five years. The Network will give sixty days' notice before the new calendar year begins on January 1 before making a change in matching requirements. Total employer contributions were \$30,033 and \$27,247 for the year ended December 31, 2020 and 2019, respectively.

### 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of December 31:

	<u>2020</u>	<u>2019</u>
Subject to the passage of time	\$ 198,905	\$ 450,000
Clean energy	89,669	56,704
Environmental Justice Project	53,960	10,907
Public education & engagement	5,007	-
Land conservation	-	4,857
Total	<u>\$ 347,541</u>	<u>\$ 522,468</u>

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

### 4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specific by the donors as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to the passage of time	\$ 871,096	\$ 1,000,000
Subject to expenditure for specified purpose:		
Water resources	14,857	15,500
Clean energy	396,035	288,736
Brain trust	10,000	-
PFAS cleanup	24,993	-
Virtual event	10,000	-
Environmental justice project	61,846	49,093
Civic engagement	50,000	-
Communications	15,000	-
Total	<u>\$ 1,453,827</u>	<u>\$ 1,353,329</u>

### 5. GOVERNING BOARD DESIGNATIONS

The Network's governing board has designated, from net assets without donor restrictions, \$2,876,783 and \$2,303,490 for a contingency fund at December 31, 2020 and 2019, respectively.

### 6. OPERATING LEASES

The Network is committed under a non-cancelable operating lease expiring in August 2022 for office space in a building owned by an unrelated third party. The lessor provided office space to the Network based on an escalating rent payment schedule. Additionally, the Network is committed under a non-cancelable operating lease expiring in April 2024 for a copier.

Future minimum lease payments for the years ended December 31 are as follows:

2021	\$ 120,064
2022	82,341
2023	1,904
2024	555
Total	<u>\$ 204,864</u>

The foregoing rentals exclude monthly charges by the lessor for the Network's portion of real estate taxes and certain lessor operating expenses. Rental expense for the years ended December 31, 2020 and 2019 was \$127,782 and \$123,070, respectively.

# NORTH CAROLINA CONSERVATION NETWORK

## NOTES TO FINANCIAL STATEMENTS

### 7. PAYCHECK PROTECTION PROGRAM (PPP)

In May 2020, the Network was granted a loan in the aggregate amount of \$224,399, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The original agreement was written prior to the PPP Flexibility Act of 2020 (June 2020) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement.

The PPP loan bears interest at a rate of 1% per annum and is guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender, or, if the Network fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage interest payments, rent, utilities, and interest on other debt obligations incurred after February 15, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as previously described. The Network used the entire loan for qualifying expenses and the loan was forgiven subsequent to year-end. See Note 9.

Future maturities of the PPP loan at December 31, 2020 are as follows:

2021	\$ 72,540
2022	<u>151,859</u>
	<u>\$ 224,399</u>

### 8. CONTINGENCY

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Network is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Network’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Network’s employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Network’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

### 9. SUBSEQUENT EVENTS

On April 21, 2021, the Network received notification that the conditions for forgiveness of the Paycheck Protection Program (“PPP”) loan had been met and that the loan was forgiven. See Note 7 for further details.

Management has evaluated subsequent events through May 6, 2021, the date which the financial statements are available for issue.