

UERPC HOUSING, INC.

FINANCIAL REPORT

JUNE 30, 2021

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UERPC HOUSING, INC.

BOARD OF DIRECTORS

June 30, 2021

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Les Askelson	Chair	December 2022
MaryAnn Humpal	Vice Chair	December 2021
Mark Kubik	Director	December 2022
Joe Pisney	Director	December 2022
Val Reinke	Director	December 2023
Leon Griebenow	Director	December 2023
Stephanie Fromm	Director	December 2023
Gus Johnson	Director	December 2021
Sandie Graf	Director	December 2021



Hacker Nelson & Co., CPAs

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors
UERPC Housing, Inc.
Decorah, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of UERPC Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 Organization'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 Organization'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 UERPC Housing, Inc., as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Decorah, Iowa
November 18, 2021

Hacker, Nelson & Co., P.C.

UERPC HOUSING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

	ASSETS			LIABILITIES AND NET ASSETS			
	Rental	NEIRHTF	Total		Rental	NEIRHTF	Total
CURRENT ASSETS				CURRENT LIABILITIES			
Cash, Calmar	\$ 64,768		\$ 64,768	Accounts payable	\$ 2,717	\$ 4,406	\$ 7,123
Cash, Postville	6,123		6,123	Interest payable	183		183
Other cash and cash equivalents		\$ 727,547	727,547	Security deposits	6,970		6,970
				Current portion note payable, Postville	6,161		6,161
Total cash	70,891	727,547	798,438	Deferred revenue		192,526	192,526
OTHER CURRENT ASSETS				Total current liabilities	16,031	196,932	212,963
Accounts receivable		96,829	96,829	LONG-TERM LIABILITIES			
Prepaid expenses	3,513		3,513	Note payable, Postville, net of current	78,563		78,563
Current portion notes receivable		145,512	145,512				
Allowance for notes receivable		(7,144)	(7,144)	Total long-term liabilities	78,563	-	78,563
Total other current assets	3,513	235,197	238,710	Total liabilities	94,594	196,932	291,526
FIXED ASSETS				NET ASSETS			
Property and equipment, Calmar	183,485		183,485	With donor restrictions		556,298	556,298
Accumulated depreciation, Calmar	(106,708)		(106,708)	Without donor restrictions	176,037	988,950	1,164,987
Property and equipment, Postville	184,765		184,765				
Accumulated depreciation, Postville	(75,315)		(75,315)	Total net assets	176,037	1,545,248	1,721,285
Land, Calmar	5,000		5,000				
Land, Postville	5,000		5,000				
Net fixed assets	196,227	-	196,227				
OTHER ASSETS							
Forgivable loans		556,298	556,298				
Notes receivable, net of current		223,138	223,138				
Total other assets	-	779,436	779,436				
Total assets	\$ 270,631	\$ 1,742,180	\$ 2,012,811	Total liabilities and net assets	\$ 270,631	\$ 1,742,180	\$ 2,012,811

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020

	ASSETS			LIABILITIES AND NET ASSETS			
	Rental	NEIRHTF	Total		Rental	NEIRHTF	Total
CURRENT ASSETS				CURRENT LIABILITIES			
Cash, Calmar	\$ 51,864		\$ 51,864	Accounts payable	\$ 4,574	\$ 2,513	\$ 7,087
Cash, Postville	10,393		10,393	Interest payable	183		183
Other cash and cash equivalents		\$ 718,881	718,881	Security deposits	6,237		6,237
				Current portion note payable, Postville	4,973		4,973
Total cash	62,257	718,881	781,138	Deferred revenue		197,930	197,930
OTHER CURRENT ASSETS				Total current liabilities	15,967	200,443	216,410
Accounts receivable		102,274	102,274	LONG-TERM LIABILITIES			
Prepaid expenses	2,950		2,950	Note payable, Postville, net of current	79,724		79,724
Current portion notes receivable		112,385	112,385				
Allowance for notes receivable		(7,008)	(7,008)	Total long-term liabilities	79,724	-	79,724
Total other current assets	2,950	207,651	210,601	Total liabilities	95,691	200,443	296,134
FIXED ASSETS				NET ASSETS			
Property and equipment, Calmar	183,485		183,485	With donor restrictions		637,638	637,638
Accumulated depreciation, Calmar	(97,178)		(97,178)	Without donor restrictions	186,041	936,848	1,122,889
Property and equipment, Postville	184,765		184,765				
Accumulated depreciation, Postville	(64,547)		(64,547)	Total net assets	186,041	1,574,486	1,760,527
Land, Calmar	5,000		5,000				
Land, Postville	5,000		5,000				
Net fixed assets	216,525	-	216,525				
OTHER ASSETS							
Forgivable loans		637,638	637,638				
Notes receivable, net of current		210,759	210,759				
Total other assets	-	848,397	848,397				
Total assets	\$ 281,732	\$ 1,774,929	\$ 2,056,661	Total liabilities and net assets	\$ 281,732	\$ 1,774,929	\$ 2,056,661

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	2021			2020				
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
	Rental	NEIRHTF	Total	Rental	NEIRHTF	Total		
OPERATING REVENUES								
IFA		\$ 127,006	\$ 114,817	\$ 241,823		\$ 98,819	\$ 205,678	\$ 304,497
Local match		43,362	37,701	81,063		39,450	44,508	83,958
Participant match		32,517		32,517		30,144		30,144
Coin machines	\$ 2,831			2,831	\$ 3,610			3,610
Loan interest		2,179		2,179		2,018		2,018
Miscellaneous	323	560		883	3,339	354		3,693
Bad debt recovery		10,527		10,527		3,414		3,414
Rent, tenant	100,568			100,568	86,065			86,065
Net assets released from restrictions		233,858	(233,858)	-		254,452	(254,452)	-
Total operating revenues	103,722	450,009	(81,340)	472,391	93,014	428,651	(4,266)	517,399
OPERATING EXPENSES								
Program services	38,717	365,482		404,199	34,856	333,838		368,694
Supporting services:								
Management/general services	75,009	39,004		114,013	75,980	32,504		108,484
Total operating expenses	113,726	404,486	-	518,212	110,836	366,342	-	477,178
(Decrease) increase in net assets from operations	(10,004)	45,523	(81,340)	(45,821)	(17,822)	62,309	(4,266)	40,221
NONOPERATING REVENUE								
Investment income	-	6,579	-	6,579	-	13,266	-	13,266
Change in net assets	(10,004)	52,102	(81,340)	(39,242)	(17,822)	75,575	(4,266)	53,487
NET ASSETS, beginning of year	186,041	936,848	637,638	1,760,527	203,863	861,273	641,904	1,707,040
NET ASSETS, end of year	\$ 176,037	\$ 988,950	\$ 556,298	\$ 1,721,285	\$ 186,041	\$ 936,848	\$ 637,638	\$ 1,760,527

See Notes to Financial Statements.

UERPC HOUSING, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Rental	NEIRHTF	Total	Rental	NEIRHTF	Total
EXPENSES						
Program services:						
Depreciation	\$ 20,298		\$ 20,298	\$ 19,527		\$ 19,527
Bad debt expense		\$ 136	136		\$ 30,449	30,449
Forgivable loans amortization		242,752	242,752		250,186	250,186
Legal fees	54	205	259	926	245	1,171
Maintenance/repair	18,365		18,365	14,403		14,403
Revolving loan		89,172	89,172		22,314	22,314
Grant expense		700	700		500	500
Participant match		32,517	32,517		30,144	30,144
SUPPORTING SERVICES						
Management/general services:						
Advertising	122		122	152		152
Contracted services	28,797	33,456	62,253	31,571	28,778	60,349
Insurance	8,660		8,660	7,389		7,389
Miscellaneous	5,032	1,465	6,497	213	369	582
Mortgage interest	3,440		3,440	2,755		2,755
Outside services	2,494		2,494	4,263		4,263
Professional services	934	4,083	5,017	1,453	3,357	4,810
Utilities	25,530		25,530	28,184		28,184
Total expenses	\$ 113,726	\$ 404,486	\$ 518,212	\$ 110,836	\$ 366,342	\$ 477,178

See Notes to Financial Statements.

UERPC HOUSING, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (39,242)	\$ 53,487
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation	20,298	19,527
Allowance for doubtful accounts	136	557
Forgivable loans amortization	242,752	250,186
Changes in:		
Accounts receivable	5,445	48,707
Prepaid expenses	(563)	18,641
Accounts payable	36	(14,665)
Security deposits	733	920
Deferred revenue	(5,404)	(14,253)
Net cash provided by operating activities	224,191	363,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets		(64,600)
Loans made	(344,878)	(366,944)
Collections on loans	137,960	101,489
Net cash used in investing activities	(206,918)	(330,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term borrowings	(4,973)	(3,851)
Money borrowed	5,000	36,000
Net cash provided by financing activities	27	32,149
Net increase in cash	17,300	65,201
CASH, beginning of year	781,138	715,937
CASH, end of year	\$ 798,438	\$ 781,138
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest	\$ 3,440	\$ 2,755
Income tax	\$ -	\$ -

See Notes to Financial Statements.

UERPC HOUSING, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

UERPC Housing, Inc. (the Organization) renders assistance to economically and socially disadvantaged persons in Allamakee, Clayton, Fayette, Howard, and Winneshiek counties in the State of Iowa. The Organization's purpose is to propose, develop, and operate programs and housing projects serving those economically and socially disadvantaged persons and to adhere to all contract or grant conditions and regulations.

The provision to propose, develop, and operate may include but is not limited to the development, redevelopment, rehabilitation, and renovation of single-family and/or multi-family owner-occupied and rental dwellings.

To assist in its activities, the Organization received a grant award designated as the Northeast Iowa Regional Housing Trust Fund (NEIRHTF) serving eligible projects in Allamakee, Clayton, Fayette, Howard, and Winneshiek counties.

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

b. Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety days of purchase. For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash.

c. Accounts Receivable

Contributions due in less than one year are recorded at their net realizable value upon receipt. Contributions due in more than one year are recorded at fair value on the date received. Trade accounts receivable are written off as bad debts in the year they are determined to be uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements.

An allowance for doubtful collectability is provided based on management's evaluation of potential uncollectible promises at year-end for notes receivable.

d. Income Taxes

UERPC Housing, Inc. is a nonprofit corporation qualifying for exempt status under Section 501(c)(3) of the Internal Revenue Code and is not required to pay income tax. The Organization files the required annual informational return for organizations exempt from income tax. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2021 and 2020. The Organization adopted the provisions of *Accounting for Uncertainty in Income Taxes*, on July 1, 2009. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

e. Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

f. Fair Value Measurement

The Organization's financial instruments consist primarily of cash, grants receivable, accounts receivable and accounts payable. The carrying amount of cash, grants receivable, accounts receivable and accounts payable approximate their fair value due to the short-term nature of such instruments.

g. Property and Equipment

Equipment purchased with unrestricted assets is recorded at its original cost and depreciated over its estimated useful life using the straight-line method. Depreciation is reflected on these financial statements as a direct cost. Under the Organization's capitalization policy, any item having a useful life of more than one year and value of \$3,000 or more will be capitalized and depreciated over its useful life.

h. Revenue Recognition and Bad Debts

In May 2014, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an organization to recognize revenue for the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The Organization adopted this ASU on July 1, 2020, using the modified retrospective approach. The impact of adopting this ASU was not material to the Organization's financial statements.

Rental revenues are generated from apartment rental activities and are recognized when the earnings process is substantially complete, and services have been performed. Deferred revenue represents funds received in advance of qualified program expenditures. Recognition of revenue is deferred for accounting purposes until the funds are used for qualified programs.

The Organization had net bad debt (recoveries) expense of (\$10,391) and \$27,035 for the years ended June 30, 2021 and 2020, respectively.

i. Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- 1) Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board of Directors.
- 2) Net assets with donor restrictions: net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

j. Functional Allocation of Expenses

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

k. Recent Accounting Pronouncement

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lease assets and liabilities to be recorded on the statements of financial position. Certain qualitative and quantitative disclosures are required, as well as a retrospective recognition and measurement of impacted leases. The new standard is effective for the Organization's year ending June 30, 2023. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements and disclosures.

2. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 798,438	\$ 781,138
Accounts receivable	96,829	102,274
Prepaid expenses	3,513	2,950
Current portion of notes receivable	145,512	112,385
Total	\$ 1,044,292	\$ 998,747

As part of the Organization's liquidity policy, cash in excess of daily requirements, when available is invested in savings and short-term, highly liquid investments. Financial assets are structured to be available as the Organization's general expenditures, liabilities, and other obligations come due.

3. Accounts Receivable

As of June 30, 2021 and 2020, the Organization had the following outstanding balances in trade accounts receivable.

	2021	2020
Iowa Finance Authority	\$ 81,055	\$ 75,811
FY21 Local Pledges	-	20,000
FY22 Local Pledges	15,000	-
City of West Union	-	68
City of Oelwein	774	6,395
Total	\$ 96,829	\$ 102,274

NOTES TO FINANCIAL STATEMENTS

4. Property and Equipment

All property and equipment are recorded at original cost and depreciable items are being depreciated on the straight-line basis using estimated useful lives. Depreciation expense charged to the accompanying financial statements for the years ended June 30, 2021 and 2020 was \$20,298 and \$19,527, respectively.

The following is a summary of property and equipment at cost, less accumulated depreciation as of June 30, 2021 and 2020:

	2021	2020
Land	\$ 10,000	\$ 10,000
Buildings	127,924	127,924
Building improvements	207,371	207,371
Equipment	32,955	32,955
Total fixed assets	378,250	378,250
Less accumulated depreciation	(182,023)	(161,725)
Net fixed assets	\$ 196,227	\$ 216,525

No interest costs were capitalized during the years ended June 30, 2021 and 2020.

5. Notes Receivable

The Organization issues regular loans through the NEIRHTF to applicants based on their family size and annual income. To qualify, the applicant's income has to be in a range of 30% to 80% of the statewide median family income. Funding limits are set at a maximum of \$10,000 per project with interest rates from 0% to 2%. Matching funds are required for these projects and these matching funds range from 10% to 20% of the project cost. Loan funds are collateralized by real estate mortgages.

The carrying amount of notes receivable is reduced by the valuation of allowance for doubtful accounts. The Organization estimates the allowance based on a percentage of notes receivable outstanding, typically 2%. The administrator of NEIRHTF's accounts may adjust the account to coincide with past experience or expectations. At June 30, 2021 and 2020, the Organization deemed \$7,144 and \$7,008, to become uncollectible, respectively.

As of June 30, 2021 and 2020, the Organization had a regular loan balance of \$368,650 and \$323,144, respectively. The current portion of this balance was \$145,512 and \$112,385 as of June 30, 2021 and 2020, respectively. The current portion includes an overdue amount as of June 30, 2021 and 2020 of \$35,540 and \$21,193, respectively, from applicants behind on payment.

6. Notes Receivable – Forgivable Loans

The Organization issues forgivable loans through the NEIRHTF to qualified applicants whose income is equal to or less than 35% of the statewide median household income. These loans do not require a participant match unless the total project cost exceeds \$5,000. The principal balance is forgiven ratably over the life of the loan and is based on continued occupancy. These loans are secured by a real estate mortgage.

The June 30, 2021 and 2020 forgivable loans receivable balance was \$556,298 and \$637,638, respectively. During the fiscal years 2021 and 2020, the Organization forgave \$242,752 and \$250,186, respectively, of the forgivable loans receivable.

NOTES TO FINANCIAL STATEMENTS

7. Long-term Debt

Details of long-term debt as of June 30, 2021 is as follows:

	Balance Due	
	Total	Current
Freedom Bank, Postville, IA		
3.95% interest bearing note payable, due \$783.08 per month including interest through August 1, 2032 with a balloon payment of \$213,457 in August 2032, secured by the property in Postville acquired with the funds.	\$ 84,724	\$ 6,161

Maturities of long-term debt during the years following June 30, 2021 are as follows:

For the year ending June 30,	Amount
2022	\$ 6,161
2023	6,409
2024	6,659
2025	6,934
2026	7,213
2027 – thereafter	51,348
Total	\$ 84,724

Interest expense totaled \$3,440 and \$2,755 for the years ended June 30, 2021 and 2020, respectively.

8. Deferred Revenue

Deferred revenue consists of monies received but not earned. The Organization had \$199,496 and \$204,167 of deferred revenue as of June 30, 2021 and 2020, respectively. This amount represents matches received from local governments and businesses for the housing program but not yet used on projects or administration and consists of the following:

	2021	2020
Security deposits – apartments	\$ 6,970	\$ 6,237
Deferred revenue	192,526	197,930
Total	\$ 199,496	\$ 204,167

9. Concentrations of Credit Risk

The Organization maintains cash balances in two financial institutions. The balances are insured by the FDIC (Federal Deposit Insurance Corporation) or NCUA (The National Credit Union Administration) up to \$250,000 at each institution. At June 30, 2021 and 2020, the Organization's cash balances at Freedom Bank exceeded \$250,000. Management continually monitors the financial condition of the financial institutions along with the cash balances maintained on deposit with them in order to minimize this potential risk.

10. Concentration of Contribution Revenue

For the years ended June 30, 2021 and 2020, contributions from the Iowa Finance Authority accounted for 51% and 59%, respectively, of the total revenues to the Organization. The receivable from Iowa Finance Authority was \$81,055 and \$75,811 as of June 30, 2021 and 2020, respectively.

11. Northeast Iowa Regional Housing Trust Fund Grant

The NEIRHTF grant is to provide financing to assist in improving the stock of affordable housing within the counties it serves. NEIRHTF will consider financial assistance in the form of partial or full funding depending on the project and borrower circumstances.

Eligible projects include those that improve the condition of existing housing through rehabilitation and/or repair, help first-time homebuyers purchase housing through down payment assistance, or contribute to the development of affordable housing in Allamakee, Clayton, Fayette, Howard, or Winneshiek counties. All projects funded must serve households with incomes less than 80% of the statewide median family income. At least 30% of the funds will be used to benefit extremely low-income households, defined as households with incomes less than 30% of the statewide median family income.

Other criteria are as follows: a) applicants must occupy the property and maintain the improvements for the life of the loan, b) have title at time of application, and c) taxes and insurance must be current. Financing of projects will be through loans, both forgivable and non-forgivable. Type of loan and interest, if any, is based on borrower's income. Funding limits are \$10,000 per project and \$10,000 for first-time homebuyer assistance. The loan will be due in the event that occupancy or ownership conditions change during the loan term.

To finance the on-going administration of NEIRHTF, grantor requires that award funds used to finance administrative expenses may not exceed 25% of the funds awarded during the first two years of certification for a newly formed fund and may not exceed 10% of the fund award in subsequent years.

Obligation to repay all or a portion of NEIRHTF proceeds received is incurred upon the occurrence of an event of default as outlined in the grant agreement. These events of default include, but are not limited to:

1. Amounts determined by the authority to have been received by grantee without fulfillment of grantee's obligations with respect to such proceeds,
2. Any materially incorrect representation or warranty made by the grantee made under or in connection with the agreement, and
3. Failure to perform or observe any other term, covenant, or agreement contained in the agreement and such failure remains un-remedied for thirty days after written notice has been given to the grantee by the authority.

12. Related Party

The Organization contracts with Upper Explorerland Regional Planning Commission to provide financial management and administrative services including, but not limited to, grant writing services and applying for funding. Fees related to these services for the years ended June 30, 2021 and 2020 amounted to \$62,099 and \$60,349, respectively. Of the 2021 amount, \$28,643 is for services related to rental activities and \$33,456 is for services related to NEIRHTF grant.

Accounts payable as of June 30, 2021 and 2020 includes \$6,040 and \$4,966, respectively, due to Upper Explorerland Regional Planning Commission for management and administration services.

13. COVID-19

The recent COVID-19 outbreak in the United States has disrupted the Organization's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Accordingly, the Organization expects this matter to impact its net assets, however, the related financial impact and duration cannot be reasonably estimated at this time. The Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted in March 2020 in response to the outbreak, which among other things contains numerous tax, emergency funding and other provisions. The Organization did not directly receive any money from the CARES Act.

14. Subsequent Events

Subsequent events were evaluated through November 18, 2021, which is the date the financial statements were available to be issued.