

**UPTOWN PEOPLE'S LAW CENTER**

FINANCIAL STATEMENTS

JUNE 30, 2020

# UPTOWN PEOPLE'S LAW CENTER

## FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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**REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors of  
Uptown People's Law Center

***Report on the Financial Statements***

We have audited the accompanying financial statements of Uptown People's Law Center (UPLC), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, of functional expenses and of 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 audits 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 in the first paragraph present fairly, in all material respects, the financial position of Uptown People's Law Center as of June 30, 2020 and 2019, 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.

***Emphasis of Matters***

As discussed in Note 2, during the year ended June 30, 2020, UPLC adopted a new accounting standards clarifying the scope and accounting guidance for contributions received and contributions made as well as revenue from contracts with customers.

As discussed in Note 11, the financial statements for the year ending June 30, 2019 has been restated to correct certain misstatements.

Our opinion is not modified with respect to these matters.

*Legacy Professionals LLP*

Westchester, Illinois

May 14, 2021

**UPTOWN PEOPLE'S LAW CENTER**  
**STATEMENTS OF FINANCIAL POSITION**

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,206,903	\$ 623,748
Client trust account - restricted	56,702	28,829
Accounts receivable	-	327,218
Grants and pledges receivable	53,750	87,250
Prepaid expenses and deposits	9,252	6,485
Property and equipment - net	<u>15,365</u>	<u>4,937</u>
Total assets	<u>\$ 1,341,972</u>	<u>\$ 1,078,467</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 75,145	\$ 74,277
Client trust account	56,702	28,829
Loans payable	<u>94,300</u>	<u>-</u>
Total liabilities	<u>226,147</u>	<u>103,106</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,044,825	888,111
With donor restrictions	<u>71,000</u>	<u>87,250</u>
Total net assets	<u>1,115,825</u>	<u>975,361</u>
Total liabilities and net assets	<u>\$ 1,341,972</u>	<u>\$ 1,078,467</u>

See accompanying notes to the financial statements.

**UPTOWN PEOPLE'S LAW CENTER**

**STATEMENTS OF ACTIVITIES**

YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>						
Grants and contributions	\$ 273,740	\$ 25,000	\$ 298,740	\$ 226,961	\$ 87,250	\$ 314,211
Program service fees	643,969	-	643,969	316,086	327,218	643,304
Special events	85,625	-	85,625	-	-	-
Other	5,976	-	5,976	4,055	-	4,055
Releases from restriction	41,250	(41,250)	-	31,250	(31,250)	-
Reclassification from restriction	-	-	-	327,218	(327,218)	-
Total revenue and support	<u>1,050,560</u>	<u>(16,250)</u>	<u>1,034,310</u>	<u>905,570</u>	<u>56,000</u>	<u>961,570</u>
<b>EXPENSES</b>						
Program services	658,594	-	658,594	511,446	-	511,446
Management and general	153,935	-	153,935	120,983	-	120,983
Fundraising	81,317	-	81,317	76,209	-	76,209
Total expenses	<u>893,846</u>	<u>-</u>	<u>893,846</u>	<u>708,638</u>	<u>-</u>	<u>708,638</u>
<b>CHANGE IN NET ASSETS</b>	156,714	(16,250)	140,464	196,932	56,000	252,932
<b>NET ASSETS</b>						
Beginning of year - restated	<u>888,111</u>	<u>87,250</u>	<u>975,361</u>	<u>691,179</u>	<u>31,250</u>	<u>722,429</u>
End of year	<u>\$ 1,044,825</u>	<u>\$ 71,000</u>	<u>\$ 1,115,825</u>	<u>\$ 888,111</u>	<u>\$ 87,250</u>	<u>\$ 975,361</u>

See accompanying notes to the financial statements.

**UPTOWN PEOPLE'S LAW CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2020

	Program <u>Services</u>	<u>Support Services</u>			Total <u>Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries	\$ 424,251	\$ 88,381	\$ 53,430	\$ 141,811	\$ 566,062
Employee benefits	56,747	11,821	7,147	18,968	75,715
Payroll taxes	31,594	6,582	3,979	10,561	42,155
Occupancy	56,740	1,875	1,875	3,750	60,490
Postage and shipping	2,541	612	1,926	2,538	5,079
Travel and meals	11,006	297	296	593	11,599
Office supplies and expense	16,488	9,692	2,904	12,596	29,084
Equipment rental and maintenance	864	101	51	152	1,016
Insurance	-	4,122	-	4,122	4,122
Professional fees	-	30,007	-	30,007	30,007
Telephone	9,007	298	298	596	9,603
Client expenses and research	44,956	-	-	-	44,956
Depreciation and amortization	4,400	147	148	295	4,695
Fundraising	-	-	9,263	9,263	9,263
Total	<u>\$ 658,594</u>	<u>\$ 153,935</u>	<u>\$ 81,317</u>	<u>\$ 235,252</u>	<u>\$ 893,846</u>

See accompanying notes to the financial statements.

**UPTOWN PEOPLE'S LAW CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>	<u>Support Services</u>			<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries	\$ 284,954	\$ 79,620	\$ 54,476	\$ 134,096	\$ 419,050
Employee benefits	7,404	2,069	1,415	3,484	10,888
Payroll taxes	21,037	5,878	4,022	9,900	30,937
Occupancy	55,356	1,830	1,829	3,659	59,015
Postage and shipping	2,008	484	1,522	2,006	4,014
Travel and meals	32,215	867	868	1,735	33,950
Office supplies and expense	8,970	5,273	1,580	6,853	15,823
Equipment rental and maintenance	52,271	6,134	3,067	9,201	61,472
Insurance	-	3,713	-	3,713	3,713
Professional fees	-	14,702	-	14,702	14,702
Telephone	6,634	219	220	439	7,073
Client expenses and research	34,825	-	-	-	34,825
Depreciation and amortization	5,772	194	194	388	6,160
Fundraising	-	-	7,016	7,016	7,016
Total	<u>\$ 511,446</u>	<u>\$ 120,983</u>	<u>\$ 76,209</u>	<u>\$ 197,192</u>	<u>\$ 708,638</u>

See accompanying notes to the financial statements.



**UPTOWN PEOPLE'S LAW CENTER**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 140,464	\$ 252,932
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	4,695	6,160
Changes in assets and liabilities		
Accounts receivable	327,218	(327,218)
Grants and pledges receivable	33,500	2,282
Prepaid expenses and deposits	(2,767)	(841)
Accounts payable and accrued expenses	868	55,482
Client trust account	<u>27,873</u>	<u>(2,908)</u>
Net cash provided by (used in) operating activities	<u>531,851</u>	<u>(14,111)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(15,123)</u>	<u>(3,135)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan	<u>94,300</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	611,028	(17,246)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>652,577</u>	<u>669,823</u>
End of year	<u>\$ 1,263,605</u>	<u>\$ 652,577</u>

See accompanying notes to the financial statements.

# UPTOWN PEOPLE'S LAW CENTER

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

### NOTE 1. DESCRIPTION OF THE ORGANIZATION

Uptown People's Law Center (UPLC) was incorporated in 1979 as an Illinois nonprofit corporation. UPLC is organized to establish, administer, and promote programs providing legal aid to indigent persons, assisting community residents in obtaining legal services and benefits, and educating and training community residents, paraprofessionals, and community attorneys. UPLC is dependent upon and receives its revenues from grants, contributions and fee-for-service agreements.

Because of the nature of the cases and legal representations we are involved with, the nature of our revenue stream and related cash flows is not predictable which impacts our financial results on a year-to-year basis.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Method of Accounting** - The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

**New Accounting Pronouncement** - In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, which was effective for UPLC's financial statements for the year ended June 30, 2020. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. There was no effect on net assets in connection with UPLC's implementation of this ASU.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which was effective for UPLC's financial statements for the year ended June 30, 2020. This guidance provides additional framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across not-for-profit entities. Analysis of various provisions of this standard resulted in no significant changes in the way UPLC recognizes revenue, and therefore, no changes to previously issued financial statements were required on a retrospective basis. However, the presentation and disclosures of revenue have been enhanced in accordance with the standard.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation** - In order to conform with the provisions of generally accepted accounting principles, UPLC is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction. Net assets are generally reported as without donor restriction unless assets are received from donors with explicit stipulations that limit the use of the asset.

**Net Assets without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions and available to finance the general operations of UPLC. The only limits on the use of net assets without donor restriction are the broad limits resulting from the nature of UPLC, the environment in which it operates and the purposes specified in its articles of incorporation.

**Net Assets with Donor Restrictions** - Net assets subject to donor or 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 donor-imposed restrictions are perpetual in nature, where 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. UPLC does not have any perpetual restricted net assets.

**Cash and Cash Equivalents** - UPLC considers cash and cash equivalents to be amounts on hand and in bank demand deposit checking accounts which are subject to immediate withdrawal. Restricted cash is a result of an Interest on Lawyers Trust account held in UPLC's name. Monies held in this account are restricted for client funds and shown with a corresponding liability.

**Accounts Receivable** - Accounts receivable consists primarily of amounts due from cases won by UPLC. Accounts receivable are stated at their unpaid balances. UPLC considers all accounts to be fully collectible at June 30, 2020 and 2019. If an account becomes uncollectible, management writes off the account directly to bad debt expense.

**Grants and Pledges Receivable** - Grants and pledges receivable represent amounts owed from various foundations and individuals as support for UPLC's programs. Unconditional receivables are recognized as revenue in the period that the promises are received. Conditional receivables are recognized when the conditions on which they depend are substantially met. UPLC considers grants and pledges receivable at June 30, 2020 and 2019 to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If an account becomes uncollectible, management writes off the account directly to bad debt expense.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment** - Property and equipment are recorded at cost. Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. Depreciation and amortization are computed by the straight-line method over the following estimated useful lives of the related assets:

Furniture and equipment	5 years
Leasehold improvements	2 years
Computer and equipment	3 years

Depreciation and amortization expense totaled \$4,695 and \$6,160 for the years ended June 30, 2020 and 2019, respectively.

**Revenue Recognition** - UPLC receives a significant portion of its operating revenue from legal fees, social security administration (SSA) case fees and special events.

**Legal Fees** - UPLC provides legal aid to indigent persons and community residents. When a settlement fee is awarded, UPLC receives a portion of the settlement to help cover their share of legal services provided. Fees vary by case and are determined through negotiation after the settlement is determined. Revenue is recognized when the settlement is awarded.

**SSA Case Fees** - UPLC represents individuals who are disabled to obtain their social security benefits. In the event that UPLC wins the case and the client is entitled to benefits, UPLC receives 25% of any back pay; not to exceed \$6,000 per case. Revenue is recognized when payment is received.

**Special Events** - During the year ending June 30, 2020, UPLC held a reception for its 40th anniversary. Revenue was received at rates which vary with the type of sponsorship. Revenue received from the reception was recognized when the event was held.

UPLC carries out its purpose as described in Note 1 within a jurisdiction primarily located in the Chicago Metropolitan Area.

**Grants and contributions** - Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions depending on the existence or nature of any donor restrictions. All contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When donor restrictions that are temporary in nature expire, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Advertising** - Advertising expenses are expensed as incurred. Advertising expenses were \$15,454 and \$0 for the years ended June 30, 2020 and 2019 respectively.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses** - The cost of providing various program and supporting services has been summarized on a functional basis in the statements of activities. Expenses which are directly associated with a particular program or supporting service are allocated directly to that functional category. Certain expenses such as salaries, benefits, facility costs, and administrative overhead are allocated to the various programs and supporting services benefited based on management estimates of staff time spent on specific programs.

**Reclassifications** - Certain reclassifications have been made to prior year amounts to confirm to the current year presentation.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**Subsequent Events** - Subsequent events have been evaluated through May 14, 2021, which is the date the financial statements were available to be issued.

## **NOTE 3. CONCENTRATION OF CASH**

UPLC places its cash with financial institutions deemed to be creditworthy. Balances are insured by the FDIC and NCUA up to \$250,000 per financial institution. Although balances may at times exceed insured limits, management believes its credit risk to be minimal.

## **NOTE 4. TAX STATUS**

UPLC has been advised by the Internal Revenue Service that it is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. UPLC is not considered to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require UPLC to evaluate tax positions taken by UPLC and recognize a tax liability if UPLC has taken an uncertain position that more likely than not would not be sustained upon examination by tax authorities. UPLC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 29,093	\$ 29,093
Leasehold improvements	23,500	23,500
Computer and equipment	24,555	18,772
Work in progress	8,065	-
	<u>85,213</u>	<u>71,365</u>
Less accumulated depreciation and amortization	<u>(69,848)</u>	<u>(66,428)</u>
Net property and equipment	<u>\$ 15,365</u>	<u>\$ 4,937</u>

**NOTE 6. OFFICE LEASE**

UPLC leases office space on a month-to-month basis. Total rent paid for the years ended June 30, 2020 and 2019 was \$56,796 and \$55,966 respectively.

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Restricted for Time		
Lawyers Trust Fund Grant	\$ 10,000	\$ 8,750
Chicago Bar Foundation Grant	-	22,500
Illinois Charitable Trust Grant	-	10,000
Restricted for Purpose		
Alvin H Baum Family Fund	15,000	-
Harvard University Fellowship	<u>46,000</u>	<u>46,000</u>
Total	<u>\$ 71,000</u>	<u>\$ 87,250</u>

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

The following is a summary of net assets with donor restrictions released during the years ended June 30, 2020 and 2019 due to the release of time restrictions:

	<u>2020</u>	<u>2019</u>
Lawyers Trust Fund Grant	\$ 8,750	\$ 8,750
Chicago Bar Foundation Grant	22,500	22,500
Illinois Charitable Trust Grant	<u>10,000</u>	<u>-</u>
Total net assets released from restriction	<u>\$ 41,250</u>	<u>\$ 31,250</u>

**NOTE 8. RETIREMENT PLAN**

During the year ended June 30, 2020, UPLC established a simple IRA plan qualified under Section 408(p) of the Code. The 408(p) plan requires UPLC to make a contribution of 2% of eligible employees' compensation. Employer contributions to the 408(p) plan were \$10,582 and \$0 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 9. LIQUIDITY AND AVAILABILITY OF RESOURCES**

UPLC receives significant grants and contributions restricted by donors. In addition, UPLC receives program service fees without donor restriction. UPLC considers contributions restricted for programs and program service fees to be ongoing, major, and central to its annual operations and available to meet cash needs for general expenditures.

The following summarizes financial assets available for general expenditure within one year at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,206,903	\$ 623,748
Accounts Receivable	-	327,218
Grants and pledges receivable	<u>53,750</u>	<u>87,250</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,260,653</u>	<u>\$ 1,038,216</u>

UPLC regularly monitors liquidity required to meet their operating needs and any contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, UPLC considers all expenditures primarily related to providing legal aid, as well as the conduct of services undertaken to support those activities, to be general expenditures.

**NOTE 9. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

UPLC strives to maintain adequate liquidity levels for the year. As part of their liquidity management, UPLC focuses its efforts on raising unrestricted funds and controlling the time of their expenses. UPLC expects to receive legal fees, SSA case fees, and grants and contributions each year, which are available to meet annual cash needs for general expenditures.

**NOTE 10. RELATED PARTY TRANSACTIONS**

UPLC recorded contributions from members of the Board of Directors of approximately \$39,900 and \$28,100 for the year ending June 30, 2020 and 2019, respectively, which are included in contributions in the accompanying statement of activities and changes in net assets.

**NOTE 11. PRIOR PERIOD ADJUSTMENT**

At July 1, 2018 and 2019, UPLC understated accrued liabilities. This error resulted in the overstatement of previously reported net assets as of July 1, 2018. The resulting change to net assets as of July 1, 2018 and 2019 are reflected in the current financial statements. They are also summarized here as follows:

	Net Assets Without Donor <u>Restrictions</u>	Nets Assets With Donor <u>Restrictions</u>	Total <u>Net Assets</u>
As previously reported at July 1, 2018	\$ 650,369	\$ 89,532	\$ 739,901
Understatement of accrued liabilities	(17,472)	-	(17,472)
Reclassification of restricted net assets	<u>58,282</u>	<u>(58,282)</u>	<u>-</u>
As restated at July 1, 2018	691,179	31,250	722,429
Change in net assets	(119,398)	383,218	263,820
Reclassification of restricted net assets	327,218	(327,218)	-
Understatement of accrued liabilities	<u>(10,888)</u>	<u>-</u>	<u>(10,888)</u>
As restated at July 1, 2019	<u>\$ 888,111</u>	<u>\$ 87,250</u>	<u>\$ 975,361</u>

**NOTE 12. COVID-19 IMPACT AND NEWLY ENACTED LEGISLATION**

As a result of the spread of the COVID-19 coronavirus pandemic, economic uncertainties have arisen, which may negatively impact UPLC's operations and financial condition. The potential impact and duration of the pandemic is unknown as of the date the financial statements were available to be issued.

UPLC has taken aggressive steps to ensure that it can continue to function while a portion of its staff shelter at home to mitigate the effects of the pandemic. This includes the establishment of remote connectivity and teleworking capability for numerous staff, including essential administrative staff.



**NOTE 12. COVID-19 IMPACT AND NEWLY ENACTED LEGISLATION (CONTINUED)**

Several major legislative relief packages were enacted in response to the coronavirus outbreak, containing numerous tax, emergency funding and other regulatory provisions. UPLC continues to evaluate the impact of newly enacted legislation on its operations and cash flows.

UPLC received a Paycheck Protection Program (PPP) loan during the year ended June 30, 2020 for \$94,300. The PPP is the main stimulus for small businesses to come out of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). UPLC utilized these funds to assist with payroll and other costs during the COVID-19 pandemic. The loan was forgiven on October 9, 2020.

**NOTE 13. SUBSEQUENT EVENT**

In April 2019, a case involving UPLC was settled but is still being appealed. Based off past prior cases, UPLC estimates it will receive approximately \$500,000.