



FINANCIAL STATEMENTS

June 30, 2020 and 2019

With Independent Auditor's Report



**FOR INSPIRATION AND RECOGNITION  
OF SCIENCE AND TECHNOLOGY (*FIRST*)**

**Years Ended June 30, 2020 and 2019**

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
Independent Auditor's Report	1 - 2
Audited Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 14



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
For Inspiration and Recognition  
of Science and Technology (*FIRST*)

We have audited the accompanying financial statements of For Inspiration and Recognition of Science and Technology (*FIRST*) (*FIRST*®), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 (U.S. GAAP); 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. These 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 *FIRST* 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 U.S. GAAP.

***Other Matter***

As discussed in Note 1 to the financial statements, *FIRST* adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-18, *Restricted Cash*, and FASB ASU No. 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, during the year ended June 30, 2020. Our opinion is not modified with respect to these matters.

*Berry Dunn McNeil & Parker, LLC*

Portland, Maine  
September 23, 2020

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Statements of Financial Position**

**June 30, 2020 and 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 41,647,636	\$ 26,675,388
Restricted cash - scholarship funds	961,427	1,073,570
Accounts receivable, net of allowance for doubtful accounts of \$456,160 in 2020 and \$121,208 in 2019	803,969	3,029,676
Short-term investments	8,250,000	12,000,000
Current portion of pledges and nonfederal grants receivable	6,668,941	6,173,779
Federal grants receivable	1,239,251	941,731
Program supply inventory	733,627	758,973
Prepaid expenses and other assets	<u>2,066,353</u>	<u>2,157,694</u>
Total current assets	<u>62,371,204</u>	<u>52,810,811</u>
 Pledges and nonfederal grants receivable, excluding current portion	 <u>4,420,678</u>	 <u>2,437,010</u>
 Property and equipment		
Land, building and improvements	10,049,128	9,598,265
Equipment	3,838,014	3,494,336
Furniture and fixtures	911,491	879,654
Software	663,801	663,801
Website and portal	883,510	883,510
Improvements in progress	<u>209,921</u>	<u>3,000</u>
	16,555,865	15,522,566
Less accumulated depreciation and amortization	<u>11,333,893</u>	<u>10,346,302</u>
Net property and equipment	<u>5,221,972</u>	<u>5,176,264</u>
 Total assets	 <u>\$ 72,013,854</u>	 <u>\$ 60,424,085</u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Current portion of long-term debt	\$ 1,545,689	\$ -
Accounts payable and accrued expenses	3,131,419	6,181,758
Deferred revenue	<u>2,523,923</u>	<u>1,472,190</u>
Total current liabilities	7,201,031	7,653,948
 Long-term debt, excluding current portion	 <u>1,932,111</u>	 <u>-</u>
 Total liabilities	 <u>9,133,142</u>	 <u>7,653,948</u>
 Net assets		
Without donor restrictions	28,677,577	29,391,900
With donor restrictions - temporary in nature	<u>34,203,135</u>	<u>23,378,237</u>
Total net assets	<u>62,880,712</u>	<u>52,770,137</u>
 Total liabilities and net assets	 <u>\$ 72,013,854</u>	 <u>\$ 60,424,085</u>

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

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Statements of Activities**

**Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Changes in net assets without donor restrictions		
Revenues and other support		
Program registration fees	\$ 15,091,513	\$ 32,718,347
Contributions and grants	11,896,431	18,469,938
Other income	1,017,589	2,154,040
Special event income, net of expenses of \$406,309 in 2020 and \$396,560 in 2019	424,959	496,506
Net assets released from restrictions	<u>39,856,978</u>	<u>30,951,062</u>
Total revenues and other support	<u>68,287,470</u>	<u>84,789,893</u>
Expenses		
Program	57,950,115	71,557,755
Facility support of other organizations	320,651	295,730
Management and general	8,330,803	8,990,597
Fundraising and development	<u>2,400,224</u>	<u>2,387,833</u>
Total expenses	<u>69,001,793</u>	<u>83,231,915</u>
Operating (deficit) surplus and change in net assets without donor restrictions	<u>(714,323)</u>	<u>1,557,978</u>
Changes in net assets with donor restrictions - temporary in nature		
Contributions and grants	50,681,876	34,468,821
Net assets released from restrictions	<u>(39,856,978)</u>	<u>(30,951,062)</u>
Change in net assets with donor restrictions - temporary in nature	<u>10,824,898</u>	<u>3,517,759</u>
Total change in net assets	10,110,575	5,075,737
Net assets, beginning of year	<u>52,770,137</u>	<u>47,694,400</u>
Net assets, end of year	<u>\$ 62,880,712</u>	<u>\$ 52,770,137</u>

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



**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Statements of Cash Flows**

**Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	<b>\$ 10,110,575</b>	\$ 5,075,737
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	<b>987,590</b>	996,286
Loss on disposal of equipment	-	15,803
Changes in operating assets and liabilities		
Accounts receivable	<b>2,225,707</b>	(486,778)
Pledges and nonfederal grants receivable	<b>(2,478,830)</b>	895,918
Federal grants receivable	<b>(297,520)</b>	(355,671)
Program supply inventory	<b>25,346</b>	(171,215)
Prepaid expenses and other assets	<b>91,341</b>	(1,166,103)
Accounts payable and accrued expenses	<b>(3,050,339)</b>	1,787,137
Deferred revenue	<b>1,051,733</b>	102,284
Net cash provided by operating activities	<b><u>8,665,603</u></b>	<u>6,693,398</u>
Cash flows from investing activities		
Purchases of short-term investments, net of reinvested maturities	-	(2,260,000)
Proceeds from maturities of short-term investments	<b>3,750,000</b>	-
Purchases of property and equipment	<b><u>(1,033,298)</u></b>	<u>(1,008,829)</u>
Net cash provided (used) by investing activities	<b><u>2,716,702</u></b>	<u>(3,268,829)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	<b><u>3,477,800</u></b>	<u>-</u>
Net cash provided by financing activities	<b><u>3,477,800</u></b>	<u>-</u>
Net increase in cash and cash equivalents	<b>14,860,105</b>	3,424,569
Cash and cash equivalents, beginning of year	<b><u>27,748,958</u></b>	<u>24,324,389</u>
Cash and cash equivalents, end of year	<b><u>\$ 42,609,063</u></b>	<u>\$ 27,748,958</u>
Composition of cash and cash equivalents, end of year:		
Cash and cash equivalents	<b>\$ 41,647,636</b>	\$ 26,675,388
Restricted cash - scholarship funds	<b>961,427</b>	1,073,570
	<b><u>\$ 42,609,063</u></b>	<u>\$ 27,748,958</u>

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

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Nature of Business**

Founded in 1989, For Inspiration and Recognition of Science and Technology (FIRST) ("FIRST®") is a New Hampshire Nonprofit Corporation organized to inspire youth to become science and technology leaders and innovators, by engaging them in exciting, mentor-guided, project-based activities and events that teach science, technology, engineering, and math skills (STEM), inspire innovation, and foster well-rounded life capabilities.

**Program Activities and Events (Unaudited)**

FIRST activities and events provide inspiration to an ascending age range of today's youth. For example, the FIRST progression of programs starts with FIRST LEGO® League, for which there are three distinct divisions: FIRST LEGO® League Discover, for children ages 4 to 6 reaches over 21,000 youths with hands-on activities in the classroom and the home; FIRST LEGO® League Explore, which reaches over 163,000 students ages 6 to 9 through a network of web-based Expos and local events; and finally, FIRST LEGO® League Challenge reaches over 318,000 students, ages 9 to 16, in 103 countries with a design and build format utilizing LEGO® MINDSTORMS® technologies. FIRST Tech Challenge ("FTC®") is a highly accessible design and build competition for ages 12 to 18 reaching over 77,000 youths. The original and most intensive program, the FIRST Robotics Competition ("FRC®"), features teams of approximately 25 students from individual high schools, working with professional mentors to design and build a robot in six weeks from a common kit of parts, reaching over 97,000 youths.

FIRST fundraises to assist an increasing number of teams with support for their program registration fees, tools and supplies, and event-related costs plus funds for the local tournament providers. Restricted contributions and grants expended on such costs totaled \$13,753,768 in 2020 and \$12,217,290 in 2019.

**1. Summary of Significant Accounting Policies**

**Accounting Standards Adoption**

During 2020, FIRST adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-18, *Restricted Cash*. This ASU requires an entity to present assets whose use is limited and restricted deposits with cash and cash equivalents on the statement of cash flows, rather than reporting the change as investing activities. A reconciliation of the cash and cash equivalents and amounts generally described as assets whose use is limited and restricted deposits in the statement of cash flows to the statement of financial position is also required.

# FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*)

## Notes to Financial Statements

June 30, 2020 and 2019

FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of FASB Accounting Standards Codification Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other accounting guidance, and (2) distinguishing between conditional contributions and unconditional contributions. This ASU was adopted by *FIRST* during the year ended June 30, 2020 and is reflected in the accompanying financial statements. Adoption of the ASU did not have a material impact on *FIRST*'s financial reporting.

### **Financial Statement Basis of Presentation**

The financial statements of *FIRST* have been prepared on the accrual basis of accounting.

*FIRST* reports information regarding its financial position and activities according to the following net asset classifications:

- **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 *FIRST*. These net assets may be used at the discretion of *FIRST*'s management and the Board of Directors.
- **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 *FIRST* or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

*FIRST* maintains cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. However, balances are swept nightly into investments collateralized by U.S. Treasury obligations. *FIRST* has not experienced any losses in such accounts and management believes *FIRST* is not exposed to any significant risk with respect to these accounts.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Short-Term Investments**

Short-term investments consist of certificates of deposit with original maturities of four to twelve months. Cost approximates market value. Interest income earned on the certificates of deposit is included in other income in the statements of activities.

**Program Supply Inventory**

Program supply inventory consists of FTC kit components and is stated at lower of cost or net realizable value.

**Property and Equipment**

Property and equipment is stated at cost on the date acquired. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method.

Website and portal costs related to site design and configuration are capitalized and amortized over a three-year expected life using the straight-line method.

**Income Taxes**

*FIRST* is a not-for-profit organization as described under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on income related to the fulfillment of *FIRST*'s mission. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Revenue Recognition, Contributions and Promises to Give**

Registration fees are recognized when earned, which is within the time period covered by the event or program. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. If gifts are received with donor stipulations that limit the use of the donated assets, the gifts are reported in net assets with donor restrictions. *FIRST* has received no contributions with donor restrictions that are perpetual in nature.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire land, buildings and equipment are reported as support with donor restrictions. Absent explicit donor stipulations as to how long-lived assets must be maintained, satisfactions of donor restrictions are reported when the land, buildings or equipment are acquired and placed in service. *FIRST* has received no gifts of long-lived assets.

Unconditional promises to give are recorded as pledges receivable and revenue in the fiscal year the pledges are made at their fair value. Unconditional promises are those for which verifiable evidence exists that a legally binding promise to give has been made.

**Functional Allocation of Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an analysis of personnel time and space utilized for the related services.

**Federal Grant Revenues**

*FIRST* receives federal grant awards for various programs. Revenue is recognized in net assets without donor restrictions as the award expenditures are incurred for awards received and expended in the same year. Revenue with donor restrictions - temporary in nature is recognized upon receipt of notice of the award for unconditional awards extending beyond year end. Total federal grant revenues recognized during the years ended June 30, 2020 and 2019 were \$3,959,234 and \$4,421,340, respectively. A portion of the federal grants receivable is contingent upon continued funding within the federal budget.

**In-Kind Contributions**

Contributions of services are recognized at fair value when received if the services require specialized skills, are provided by individuals or entities possessing those skills, and would typically need to be purchased if not donated. Contributions of program and other supplies are recorded at fair value upon receipt when there is an objective and reasonable basis upon which to value the in-kind contributions. These contributions are an integral part of *FIRST* activities. *FIRST* receives program supplies, shipping services, and event-related services from a variety of organizations.

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

Volunteers provide a variety of services to further the *FIRST* mission both domestically and internationally. Volunteers serve as mentors, teachers, engineers, and event staff. The value of these services has not been recorded in the financial statements. Management estimates volunteers gave more than 19,480,000 domestic hours and 820,000 international hours in 2020 and 20,100,000 domestic hours in 2019.

During 2020 and 2019, *FIRST* recorded the value of contributed program supplies, competition venues, and services in the financial statements as follows:

	<u>2020</u>	<u>2019</u>
Contributions without donor restrictions included in program expenses		
FRC, including shipping services in the amount of \$266,000 in 2020 and \$911,000 in 2019	\$ 7,524,804	\$ 8,430,766
FLL	243,404	256,910
FTC	<u>7,700</u>	<u>8,800</u>
Total included in program expenses	<b>7,775,908</b>	8,696,476
Contributions without donor restrictions included in management and general expenses	<b>50,050</b>	240,520
Contributions with donor restrictions - temporary in nature - recorded as program supplies received and limited to use in a future period (included in prepaid expenses and other assets)	<u>210,731</u>	<u>235,704</u>
Total	<b><u>\$ 8,036,689</u></b>	<b><u>\$ 9,172,700</u></b>

**Subsequent Events**

*FIRST* management has considered transactions or events occurring through September 23, 2020, which was the date that the financial statements were available to be issued.

**2. Liquidity and Availability of Financial Assets**

*FIRST* regularly monitors liquidity required to meet its operating needs and other contractual commitments. *FIRST*'s sources of liquidity include cash and short-term investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, *FIRST* considers all expenditures related to its ongoing activities, and general and administrative services undertaken to support those ongoing activities to be general expenditures.

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

At June 30, the following financial assets could readily be available within one year of the statement of financial position date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents	\$ 41,647,636	\$ 26,675,388
Accounts receivable	803,969	3,029,676
Short-term investments	8,250,000	12,000,000
Current portion of pledges and nonfederal grants receivable	6,668,941	6,173,779
Federal grants receivable	<u>1,239,251</u>	<u>941,731</u>
Total current financial assets	58,609,797	49,894,144
Assets with restrictions		
Donor-restricted net assets not available within one year - temporary in nature	<u>(6,176,249)</u>	<u>(4,975,867)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 52,433,548</u>	<u>\$ 44,918,277</u>

**3. Pledges and Grants Receivable**

Pledges and nonfederal grants receivable are due as follows at June 30:

	<u>2020</u>	<u>2019</u>
Due within one year	\$ 6,668,941	\$ 6,173,779
Due between one and three years	<u>4,420,678</u>	<u>2,437,010</u>
	<u>\$ 11,089,619</u>	<u>\$ 8,610,789</u>

**4. Long-Term Debt**

Long-term debt consists of an unsecured Paycheck Protection Program (PPP) loan payable to Citizens Bank in the amount of \$3,477,800. A portion or all of the PPP loan is expected to be forgiven if *FIRST* meets certain requirements under the CARES Act. Any amount not forgiven is to be repaid over two years at a fixed interest rate of 1%. Management intends to apply for forgiveness once it becomes available; however, as of June 30, 2020, *FIRST* had not yet applied for forgiveness.

Maturities of long-term debt are as follows:

2021	\$ 1,545,689	
2022	<u>1,932,111</u>	
	<u>\$ 3,477,800</u>	

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**5. Related Party Transactions**

*FIRST* receives facility services, legal services, and technical support at no charge from affiliated entities owned by both the Founder and the Co-Chair of the Board of Directors.

A portion of the *FIRST* building is occupied at no cost by a children's science museum, SEE Science Center, Inc. ("SEE"), a not-for-profit museum started by the Founder. A *FIRST* Co-Chair of the Board of Directors is also a member of the SEE Board of Directors. While SEE's occupancy agreement has no annual base rental payment, it could be required to pay its proportionate share of the building's annual operating costs based on its occupied square footage.

**6. Discretionary Defined Contribution Plan**

*FIRST* maintains a discretionary defined contribution benefit plan (the Plan) for its employees. Under the Plan, enrolled employees may contribute a portion of their salary to tax deferred investment accounts. *FIRST* may contribute an amount based on the employee's contribution level. *FIRST* may make additional annual contributions, shared equally among all qualifying employees, at the discretion of the Board of Directors. During the years ended June 30, 2020 and 2019, *FIRST* contributed a total of \$418,410 and \$565,155, respectively, to the Plan.

**7. Net Assets with Donor Restrictions - Temporary in Nature**

Net assets with donor restrictions - temporary in nature are available for the following purposes and periods:

	<u>2020</u>	<u>2019</u>
Program activities and events		
FRC	\$ 6,681,678	\$ 4,548,187
FLL and FLL Jr.	4,438,632	1,467,224
FTC	663,015	345,274
Program, during future periods as directed by donors or determined by management	20,202,731	15,132,785
Management and general	790,830	346,400
The Bart Kamen Memorial <i>FIRST</i> Scholarship Fund	<u>1,426,249</u>	<u>1,538,367</u>
	<u>\$ 34,203,135</u>	<u>\$ 23,378,237</u>

**8. Contingencies**

*FIRST* is occasionally a party to various legal actions and/or threatened claims arising in the ordinary course of business. Management believes the disposition of these matters will be covered by *FIRST*'s liability insurance coverages and will not have a material adverse effect on the financial position of *FIRST*.

**FOR INSPIRATION AND RECOGNITION OF  
SCIENCE AND TECHNOLOGY (FIRST)**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**9. Uncertainty**

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 provides several relief measures to allow flexibility to providers to deliver critical care. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

The U.S. government has responded with relief legislation as a response to the COVID-19 outbreak. Recent legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans, 2) provides additional funding for grants and technical assistance, 3) delays due dates for employer payroll taxes and estimated tax payments for organizations, and 4) revises provisions of the Internal Revenue Code, including those related to losses, charitable deductions, and business interest. Management has evaluated the impact of the CARES Act on *FIRST*, including its potential benefits and limitations that may result from additional funding. In April 2020, *FIRST* obtained a loan under the CARES Act's PPP for \$3,477,800 (Note 4). The PPP has specific criteria for eligibility and provides for forgiveness of loans under this program if borrowers meet certain requirements. The loan if not forgiven is to be repaid within two years at a 1% interest rate.