

**HOSPICE OF
SAN LUIS OBISPO COUNTY, INC.**

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

For the Year Ended
June 30, 2020

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.
INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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Independent Auditors' Report

Executive Board
Hospice of San Luis Obispo County, Inc.
San Luis Obispo, California

We have audited the accompanying financial statements of Hospice of San Luis Obispo County, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, changes in net assets, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditors' judgment, including the assessment of the risk 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 financial statement presentation.

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 Hospice of San Luis Obispo County, Inc., as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

CINDRICH & COMPANY
An Accountancy Corporation

San Luis Obispo, California
April 27, 2021

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS

Totals

Current assets:

Cash and cash equivalents	\$ 181,578
Accounts receivable	14,071
Prepaid expense	10,893
Investments (Note 4)	265,668
Investments - Community Foundation SLO County (Notes 4 and 7)	23,953

Total current assets 496,163

Fixed assets:

Property and equipment, net of accumulated depreciation (Note 5)	<u>1,113,624</u>
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Total assets \$ 1,609,787

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 4,332
Accrued expenses (Note 6)	8,190

Total current liabilities 12,522

Long term liabilities:

Paycheck Protect Program Loan (Note 11)	5,357
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Net assets:

Without donor restrictions: (Note 2)	
Undesignated	1,351,957
Board designated (Note 8)	183,039
With donor restrictions (Notes 2 and 7)	<u>56,912</u>

Total net assets 1,591,908

Total liabilities and net assets \$ 1,609,787

See accompanying notes and accountants' report.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<i>Income and support:</i>			
Contributions and memorials	\$ 153,514	\$ 5,000	\$ 158,514
Fundraising and special event income net of \$34,433 expense, of which \$18,658 is in kind	67,902		67,902
United Way	5,187		5,187
Program income	19,353		19,353
Grant income	3,300	80,000	83,300
Grant income - Covid (Note 11)	101,543		101,543
Investment return, net (Note 4)	(4,676)	357	(4,319)
Net assets released from restriction	90,447	(90,447)	-
	<hr/>	<hr/>	<hr/>
Total income and support	436,570	(5,090)	431,480
<i>Functional expenses:</i>			
Program services	607,615		607,615
Management and general	78,065		78,065
Fundraising	36,007		36,007
	<hr/>	<hr/>	<hr/>
Total functional expenses	721,687	-	721,687
<i>Change in net assets:</i>	<hr/>	<hr/>	<hr/>
	\$ (285,117)	\$ (5,090)	\$ (290,207)

See accompanying notes and accountants' report.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended June 30, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>
<i>Net assets - June 30, 2019</i>	\$ 1,775,498	\$ 106,617	\$ 1,882,115
Prior period adjustment (Note 12)	44,615	(44,615)	-
Change in net assets	<u>(285,117)</u>	<u>(5,090)</u>	<u>(290,207)</u>
<i>Net assets - June 30, 2020</i>	<u>\$ 1,534,996</u>	<u>\$ 56,912</u>	<u>\$ 1,591,908</u>

See accompanying notes and accountants' report.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- Raising</u>	<u>Totals</u>
Expenses:				
Salaries	\$ 390,566	\$ 45,949	\$ 22,974	\$ 459,489
Payroll taxes	28,062	3,302	1,651	33,015
Employee benefits	25,166	2,961	1,480	29,607
Bookkeeping	8,293	910	910	10,113
Telephone and internet	6,481	762	381	7,624
Postage	2,179	256	128	2,563
Printing	535	63	31	629
Professional fees	-	7,867		7,867
Office supplies	11,037	1,226		12,263
Repairs and maintenance	11,715	1,302		13,017
Contract services	26,198	2,876	2,876	31,950
Utilities	8,617	958		9,575
Travel	2,806	249	62	3,117
Insurance	7,884	1,603	3,875	13,362
Advertising and public relations	13,948	1,550		15,498
Training and education	762			762
Dues and memberships	3,932	251		4,183
Miscellaneous	5,408	636	318	6,362
Volunteer services	7,571	831	831	9,233
Program expenses	6,330			6,330
Care management	8,322	979	490	9,791
Depreciation	31,803	3,534		35,337
	607,615	78,065	36,007	721,687
Total expenses	607,615	78,065	36,007	721,687
Fundraising event costs reported separately	-	-	34,433	34,433
	-	-	34,433	34,433
Expenses reported by function	\$ 607,615	\$ 78,065	\$ 70,440	\$ 756,120

See accompanying notes and accountants' report.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

STATEMENT OF CASH FLOWS For the Year Ended June 30, 2020

	<u>Totals</u>
<i>Cash flows from operating activities:</i>	
Change in net assets	\$ (290,207)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	35,337
Realized/unrealized loss on investments	14,423
In kind stock donations	(5,170)
Increase in accounts receivable	(12,816)
Increase in prepaid expenses	(7,172)
Decrease in deposits	1,465
Decrease in accounts payable	(3,669)
Decrease in accrued expenses	(6,996)
	<hr/>
Net cash used by operating activities	(274,805)
<i>Cash flows from investing activities:</i>	
Acquisition of fixed assets	(15,883)
Proceeds from sale of investments	504,963
Acquisition of investments	(139,173)
	<hr/>
Net cash provided by investing activities	349,907
<i>Cash flows from financing activities:</i>	
Advances on long term debt	96,900
Repayments on long term debt	(91,543)
	<hr/>
Net cash provided by financing activities	5,357
<i>Net change in cash:</i>	80,459
<i>Cash and cash equivalents at beginning of period:</i>	<hr/> 101,119
<i>Cash and cash equivalents at end of period:</i>	<hr/> <hr/> \$ 181,578

Supplemental information:

There was no cash paid for interest or income taxes for the year ended June 30, 2020.

See accompanying notes and accountants' report.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: HISTORY AND ORGANIZATION

Hospice of San Luis Obispo County, Inc. (Hospice) is a non-profit, non-stock corporation, organized under the laws of the State of California in 1977, for the purpose of providing volunteer support, education and counseling to those living with a life threatening or terminal illness, their families, and the bereaved. As a volunteer hospice all services rendered are provided at no cost to the individuals and families receiving them and insurance is never billed.

Hospice programs include 1) in home care by trained volunteers for emotional and practical assistance, 2) grief support to individuals and families of all ages, 3) quarterly in-home volunteer trainings for respite care, pet peace of mind or end of life doula services; annual bereavement/grief training and ongoing community education about issues related to dying and death, and 4) community response services provided to businesses, schools, churches, government and community agencies.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented on the accrual basis of accounting which recognizes revenue as gross income when earned and operating expenses as deductions from gross income when incurred. The financial resources are maintained in accordance with the principles of fund accounting.

Net assets without donor restrictions is utilized to record contributions, fund raising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fund raising efforts of the organization.

Net assets with donor restrictions is utilized to record resources received by the Organization that are restricted as to use by the donor or grantor. When the restriction expires, the net assets of this fund are reclassified to net assets without donor restrictions.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as net assets with donor restrictions. When the donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as net assets without donor restrictions.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax

Hospice is recognized by the Internal Revenue Service as a qualified section 501(c)(3), non-profit organization, and as such, is not liable for Federal income or State franchise tax. The Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

Cash and Cash Equivalents

Cash and cash equivalents includes all liquid investments including money market accounts and certificates of deposits with a maturity of three months or less when purchased.

Accounts Receivable

Management has determined that an allowance for doubtful accounts would be zero based on the Organization's credit policies, prior collection experience and the type of customers associated with the Organization.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures in excess of \$1,500 for property and equipment at cost. Repairs and maintenance are charged to expense when incurred. Depreciation expense is calculated on the straight-line method over the useful life of the related asset.

Advertising

Advertising costs are expensed during the period in which they are incurred.

In-kind Donations

Hospice receives donations of time and services from members of the community and volunteers. The value of these donations is not reflected in the accompanying financial statements since no objective basis is available to measure the value of these services. In-kind donations of fixed assets, supplies and vendor services used directly by the organization are valued at their appraised values at the time of the receipt.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs – quoted prices in active markets for identical assets

Level 2 inputs – quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs – estimates using the best information available when there is little or no market

The Organization is required to measure two types of assets and the related revenues at fair value: non-cash contributions and certain investments. The techniques used to measure fair value are described in the notes below that relate to each asset/revenue.

Functional Allocation of Expenses

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Expenses that are directly relatable to a functional category are allocated 100% to that category. These operating expenses are directly allocated based on historical time studies.

Subsequent Events

Management has evaluated subsequent events through April 27, 2021, which is the date the financial statements were available to be issued.

New Accounting Standards

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis during the fiscal year ending June 30, 2020. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2019. Adopting this accounting principle did not result in any material change in the financial statements when compared to the year ended June 30, 2019.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 3: DONATED MATERIALS AND SERVICES

Donated supplies - fundraisers	\$	18,658
Donated services		9,270
Donated stock		5,170
Donated supplies		<u>1,137</u>
Total in kind revenue and expense	\$	<u>34,235</u>

NOTE 4: INVESTMENTS

Investments are presented in the aggregate at fair market value on quoted prices in active markets, and are summarized in the following table.

Securities are generally held in custodial investment accounts administered by certain financial institutions. The fair values of investments in securities traded on the national security exchanges are valued at the closing price on the last business day of the fiscal year. Market rise or decrease could occur and is dependent on the future changes in market prices of the various investments held.

Investments at June 30, 2020, are comprised of the following:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds - Bonds	\$ 128,582	\$ 134,137
Mutual Funds - Equities	107,994	122,269
Mutual Funds - Other	9,708	9,262
Investment - Community Foundation SLO County	<u>20,659</u>	<u>23,953</u>
Total investments	\$ <u>266,943</u>	\$ <u>289,621</u>

Realized gains and losses on the sale of investments are calculated using the specific identification method. Unrealized gains and losses represent the change in the fair market value of the individual investments for the year or since the acquisition during the year and are included in the change in net assets.

Return on investments consists of the following:

Dividends and interest	\$	10,719
Capital gains distributions		3,339
Net realized and unrealized losses		(14,423)
External investment expenses		<u>(3,954)</u>
Investment return, net	\$	<u>(4,319)</u>

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 5: PROPERTY AND EQUIPMENT

Summaries of fixed assets by major classifications at June 30, 2020, are as follows:

Furniture and equipment	\$ 51,868
Buildings and improvements	1,128,511
Land	<u>503,334</u>
	1,683,713
Less: accumulated depreciation	<u>570,089</u>
Total property and equipment	\$ <u>1,113,624</u>

Total depreciation for the year ended June 30, 2020, was \$35,337.

NOTE 6: ACCRUED EXPENSES

Accrued expenses at June 30, 2020 consist of the following:

Accrued vacation	\$ 6,600
Employee benefits	<u>1,590</u>
	\$ <u>8,190</u>

Hospice has accrued a liability for vacation leave earned but not taken by staff employees. This accrual was calculated on actual vacation days earned and applied to the individuals' hourly rate.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020, net assets with donor restrictions were composed of:

Community Foundation San Luis Obispo Endowment Fund	\$ 23,953
Rupe Care Management Grant	27,959
Children's Counseling Services	<u>5,000</u>
Total net assets with donor restrictions	\$ <u>56,912</u>

Community Foundation San Luis Obispo County Endowment Fund

Net assets with donor restrictions at June 30, 2020, consist of an endowment fund established in fiscal year 2002/2003. The purpose of the fund is to provide Hospice ongoing support through investment income from the fund. Annual earnings from the fund, net of fees and expenses, may be distributed to Hospice; neither fund principal nor the net appreciation of fund principal, realized or unrealized, may be distributed. The fund shall continue as long as assets are available in the fund and the purposes of the fund can be served by its continuation.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS (continued)

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Organization has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-imposed endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

At June 30, 2020, the Community Fund is composed of:

Amounts required to be invested in perpetuity	\$	10,250
Restricted realized and unrealized gains		1,497
Amounts available for appropriation		12,565
Amounts appropriated for expenditure		<u>(359)</u>
Total Community Fund net assets	\$	<u>23,953</u>

Rupe Care Management Grant

The Organization received a grant in the amount of \$60,000 for the year ended June 30, 2020. The grant funds use is restricted for the care and management of those with dementia.

At June 30, 2020, the Rupe Grant balance in net assets with donor restrictions are as follows:

Balance at June 30, 2019	\$	33,687
Contributions		60,000
Amounts appropriated for expenditure		<u>(65,728)</u>
Balance at June 30, 2020	\$	<u>27,959</u>

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS (continued)

Hughes Care Management Grant

The Organization received a grant in the amount of \$25,000 for the year ended June 30, 2019. The grant funds use is restricted for the use of caregiver respite and management services.

At June 30, 2020, the Hughes Grant balance in net assets with donor restrictions are as follows:

Balance at June 30, 2019	\$ 4,359
Amounts appropriated for expenditure	<u>(4,359)</u>
Balance at June 30, 2020	<u>\$ -</u>

Children's Counseling Services Donation

The Organization received a donations in the amount of \$5,000 for the year ended June 30, 2020. The donation is restricted for the use of developing a children's program. As of June 30, 2020, none of the funds had been utilized.

NOTE 8: BOARD DESIGNATED

Quasi- Endowment

Quasi-endowments are those purpose-restricted gifts that are intended to be maintained in perpetuity or to be spent over a specific time period, usually several years; however, under specific circumstances defined by the donor, the principal may be invaded fully to meet the defined purposes. Board-designated endowments are net assets without donor restrictions funds designated by the Board of Directors to function as endowments.

Board designated net assets at June 30, 2020, consist of a second endowment fund established in fiscal year 2000/2001. As required by the Arthur N. Rupe Foundation grant, \$100,000 was set aside to begin The Rupe Endowment Fund. Since the inception of the fund Hospice has received additional contributions. The income earned by this endowment will be used exclusively for operating and maintenance costs associated with the facility on Pacific Street in San Luis Obispo, where Hospice is located.

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: BOARD DESIGNATED (continued)

The composition of endowment net assets for this fund and the changes in endowment net assets as of June 30, 2020, are as follows:

	<u>Board Designated</u>
Quasi-Endowment net assets, June 30, 2019	\$ 181,102
Transfers	20,000
Investment income	6,841
Net appreciation (depreciation)	(5,267)
Amounts appropriated for expenditure	<u>(19,637)</u>
Quasi-Endowment net assets, June 30, 2020	\$ <u>183,039</u>

NOTE 9: CONCENTRATIONS

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation up to \$250,000.

The Organization's largest grant consisted of 13.9% of revenue for the year ended June 30, 2020.

NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets (cash and cash equivalents) as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and cash equivalents, at year end	\$ 181,578
Investments, at year end	289,621
Accounts receivable, at year end	<u>14,071</u>
Total financial assets, at year end	<u>485,270</u>
Less amounts unavailable for general expenditure due to imposed purpose restrictions:	
Board designated quasi-endowment	183,039
Donor restricted	<u>56,912</u>
Total amount unavailable for general expenditure	<u>239,951</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>245,319</u>

HOSPICE OF SAN LUIS OBISPO COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition cash in excess of daily requirements is invested in various mutual funds.

NOTE 11: COVID-19

The Coronavirus disease (COVID-19) has affected global markets, supply chains, employees of companies, and our communities. COVID-19 may impact various parts of the Organization's 2020/2021 operations and financial results including potential reduced revenue caused by public health mandates including the Governor of the State of California's stay at home order issued on March 19, 2020. Management believes the Organization is taking appropriate actions to mitigate the negative results, however, the full financial impact to the Organization resulting from COVID-19 cannot be reasonably estimated at this time.

Paycheck Protection Program:

On April 27, 2020, the Organization received \$96,900 through the Federal Paycheck Protection Program (PPP) enacted under the CARES (Coronavirus Aid, Relief, and Economic Securities) Act passed on March 27, 2020. The funds received under PPP must be used towards payroll, rent, utilities, and interest on existing debt. The loan proceeds may be forgiven subject to compliance and approval by the Small Business Administration based on the timing and use of the funds under the program. The Organization has used the loan proceeds in accordance with terms of the CARES Act and received full forgiveness of the loan funds on January 7, 2021. As of June 30, 2020, PPP funds utilized totaled \$91,543.

Economic Injury Disaster Loan Grant:

A \$10,000 forgivable advance from the Small Business Administration was received on April 27, 2020. The EIDL Grant was designed to provide economic relief to entities that experience temporary loss of revenue due to Covid-19.

NOTE 12: PRIOR PERIOD ADJUSTMENT

An overstatement of previously reported net assets with donor restrictions were discovered during the current fiscal year. Accordingly, an adjustment of \$44,615 was made as of June 30, 2020. The effect of the restatement has no impact on net income.