

**ST. MARY'S SERVICES
DBA HOPEFUL BEGINNINGS
OF ST. MARY'S SERVICES**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021



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Independent Auditor's Report

To the Board of Trustees of
St. Mary's Services
dba Hopeful Beginnings of St. Mary's Services
Palatine, Illinois

We have audited the accompanying financial statements of St. Mary's Services dba Hopeful Beginnings of St. Mary's Services (an Illinois nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In Association With:

MCCLURE INSERRA
& COMPANY CHARTERED
ACCOUNTANTS AND CONSULTANTS



Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary's Services dba Hopeful Beginnings of St. Mary's Services as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited St. Mary's Services dba Hopeful Beginnings of St. Mary's Services 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

ATA GROUP, LLP

December 2, 2021

Financial Statements

ST. MARY'S SERVICES dba Hopeful Beginnings of St. Mary's Services

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)

	<u>ASSETS</u>	
	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 101,173	\$ 78,258
Investment Securities	3,335,392	2,746,398
Accounts Receivable	33,999	16,088
Property Tax Refund Receivable	44,832	-
Prepaid Expenses	12,684	11,929
Total Current Assets	3,528,080	2,852,673
NONCURRENT ASSETS		
Property and Equipment, net	362,448	377,014
Beneficial Interest in Perpetual Trusts Held by Others	3,978,542	2,957,060
Investment Securities, Restricted for Endowments	581,840	581,840
Total Noncurrent Assets	4,922,830	3,915,914
Total Assets	\$ 8,450,910	\$ 6,768,587

<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 38,271	\$ 25,410
PPP Forgivable Loan, Current Portion	-	-
Current Liabilities	38,271	25,410
NONCURRENT LIABILITIES		
PPP Forgivable Loan, Long-term Portion	-	88,100
Total Liabilities	38,271	113,510
NET ASSETS		
Net Assets Without Donor Restrictions		
Undesignated	3,704,617	2,968,537
Designated	147,640	147,640
Total Unrestricted	3,852,257	3,116,177
Net Assets With Donor Restrictions	4,560,382	3,538,900
Total Net Assets	8,412,639	6,655,077
Total Liabilities and Net Assets	\$ 8,450,910	\$ 6,768,587

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

Financial Statements

ST. MARY'S SERVICES dba Hopeful Beginnings of St. Mary's Services

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
REVENUES, GAINS AND OTHER SUPPORT				
Contributions (\$18,056 In-Kind for 2021)	\$ 191,948	\$ -	\$ 191,948	\$ 168,469
Grants	54,625	-	54,625	38,303
Adoptive Program Fees	161,597	-	161,597	139,395
Counseling Services	376	-	376	15,230
Educational Initiative Fees	48,995	-	48,995	47,801
Change in Value of Perpetual Trusts	-	1,021,482	1,021,482	6,256
Investment Income from Perpetual Trusts	55,697	-	55,697	73,795
Investment Return, net	838,994	-	838,994	139,540
Loss on Disposal of Capital Assets	-	-	-	(37)
PPP Loan Forgiveness	176,065	-	176,065	-
Total Revenues, Gains and Other Support	1,528,297	1,021,482	2,549,779	628,752
EXPENSES				
Maternity Program	234,715	-	234,715	277,844
Adoptive Program	93,957	-	93,957	87,675
Educational Initiative	73,352	-	73,352	78,066
Management and General	220,986	-	220,986	188,023
Fundraising	169,207	-	169,207	149,603
Total Expenses	792,217	-	792,217	781,211
CHANGE IN NET ASSETS	736,080	1,021,482	1,757,562	(152,459)
NET ASSETS, BEGINNING OF THE YEAR	3,116,177	3,538,900	6,655,077	6,807,536
NET ASSETS, END OF THE YEAR	\$ 3,852,257	\$ 4,560,382	\$ 8,412,639	\$ 6,655,077

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

Financial Statements

ST. MARY'S SERVICES dba Hopeful Beginnings of St. Mary's Services

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Program Services				Supporting Services			Total	
	Maternity Program	Adoption Initiative	Education Program	Total	Management and General	Fundraising	Total	2021	2020
Salaries	\$ 126,031	\$ 54,372	\$ 43,336	\$ 223,739	\$ 120,428	\$ 37,236	\$ 157,664	\$ 381,403	\$ 345,843
Social Worker (In-Kind \$9,806)	9,806	-	-	9,806	-	-	-	9,806	20,175
Employee benefits	21,057	8,308	6,586	35,951	26,881	6,387	33,268	69,219	60,099
Payroll taxes	9,892	4,273	3,420	17,585	9,346	2,961	12,307	29,892	26,958
Total personnel	166,786	66,953	53,342	287,081	156,655	46,584	203,239	490,320	453,075
Accounting and Auditing	694	273	237	1,204	11,138	161	11,299	12,503	11,903
Advertising and marketing	35,805	15,505	12,031	63,341	25,062	8,376	33,438	96,779	97,423
Service charges	25	10	9	44	18	2,819	2,837	2,881	3,021
Computer	5,622	1,989	1,724	9,335	3,756	1,170	4,926	14,261	6,887
Consultation--non-medical	-	-	-	-	-	-	-	-	90
Depreciation and amortization	7,995	3,152	2,731	13,878	5,622	1,853	7,475	21,353	19,946
Dues, Memberships, Subscriptions	1,376	207	162	1,745	611	110	721	2,466	801
Education	704	788	349	1,841	705	81	786	2,627	4,366
Fund Raising Expenses-Events	-	-	-	-	-	42,448	42,448	42,448	37,275
Insurance	5,451	2,148	1,863	9,462	3,833	1,263	5,096	14,558	14,677
Occupancy (In-Kind \$750)	(7,572)	(2,985)	(2,587)	(13,144)	(4,560)	(1,755)	(6,315)	(19,459)	22,182
Legal (In-Kind \$7,500)	1,264	-	-	1,264	10,000	-	10,000	11,264	6,401
Purchased Medical Services	410	-	-	410	-	-	-	410	1,774
Nonmedical Maternity Services	3,688	-	-	3,688	-	-	-	3,688	15,356
Office Equipment Rental	3,587	1,414	1,225	6,226	2,522	832	3,354	9,580	9,533
Outreach	313	93	81	487	198	55	253	740	2,539
Payroll Processing Services	691	272	236	1,199	486	160	646	1,845	1,593
Postage and delivery	248	126	74	448	179	920	1,099	1,547	1,379
Supplies	1,037	384	333	1,754	990	129	1,119	2,873	2,441
Licenses and Permits	70	28	24	122	60	16	76	198	395
Telephone	5,158	1,815	1,459	8,432	3,079	611	3,690	12,122	13,460
Temporary help	15	6	5	26	11	63,362	63,373	63,399	48,750
Travel / Mileage Payments	715	805	46	1,566	55	7	62	1,628	4,639
Miscellaneous expenses	633	974	8	1,615	566	5	571	2,186	1,305
Total expenses	\$ 234,715	\$ 93,957	\$ 73,352	\$ 402,024	\$ 220,986	\$ 169,207	\$ 390,193	\$ 792,217	\$ 781,211

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

Financial Statements

ST. MARY'S SERVICES dba Hopeful Beginnings of St. Mary's Services

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,757,562	\$ (152,459)
Adjustments to Reconcile Change in Net Assets to		
Cash Used in Operating Activities:		
Depreciation and Amortization	21,353	19,946
Change in Value of Perpetual Trusts Held by Others	(1,021,482)	(6,256)
Investment income, net	(853,302)	(152,966)
Loss on Disposal of Capital Assets	-	37
PPP Loan Forgiveness	(176,065)	-
(Increase) Decrease in Accounts Receivable	(62,743)	2,423
(Increase) Decrease in Prepaid and Other Assets	(755)	(4,373)
Increase (Decrease) in Accounts Payable and Accruals	12,861	(18,290)
Net Cash Used in Operating Activities	(322,571)	(311,938)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(6,788)	(18,642)
Proceeds from Sale and Maturities of Investments	-	559,254
Purchase of Investments and Transfers to Cash	264,309	(295,830)
Net Cash Provided by (Used in) Investing Activities	257,521	244,782
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP Forgivable Loan Proceeds	87,965	88,100
Net Cash Provided by Financing Activities	87,965	88,100
Net Increase (Decrease) in Cash and Cash Equivalents	22,915	20,944
Cash and Cash Equivalents, Beginning of Year	78,258	57,314
Cash and Cash Equivalents, End of Year	\$ 101,173	\$ 78,258
Income Taxes Paid during the Year	\$ -	\$ -
Interest Paid during the Year	\$ -	\$ -

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

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of St. Mary's Services dba Hopeful Beginnings of St. Mary's Services (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Nature of Organization Activities

St. Mary's Services dba Hopeful Beginnings of St. Mary's Services is a nonprofit charitable corporation, founded in 1887, providing many services related to maternity, adoption and postpartum parents. Among its major programs are adoption services, maternity programs to pregnant adolescents and women, including counseling, and financial assistance as needed, consulting and education services including pre-adoptive parent preparation classes for prospective parents. In 2019, St. Mary's added counseling services related to: perinatal mood disorders, postpartum depression and anxiety, grief, loss of pregnancy and adjustment to motherhood.

B. Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to two classes of net assets, those without donor restrictions and those with donor restrictions.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that must be maintained by the Organization until the restriction is satisfied, or in perpetuity. The donors of these assets permit St. Mary's to use all or part of the income earned on related investments for unrestricted purposes.

Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

C. Cash and Cash Equivalents

Cash and cash equivalents consist primarily of amounts in a demand deposit account.

D. Investments

Investments are stated at fair market value based on quoted market prices. Investment income is recorded on the accrual basis; purchases and sales of investments are reflected on a trade-date basis. Unrealized gains or losses are based on the change in market value of the assets from the beginning to the end of the fiscal year. Realized gains or losses are based on the change in market value of the assets from the date acquired to the date of sale.

All of the income, as defined by the perpetual trusts, is paid out in quarterly installments to the Organization. For the Organization's controlled investments, cash may be withdrawn from time-to-time to fund operations.

Note 1: Summary of Significant Accounting Policies (Continued)

The Organization invests in various investment securities. Investment securities in general are subject to various risks, such as interest rate, credit and overall market volatility. Due to the level or risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

E. Permanent Donor Restricted Funds Investment Policy

The investment objective of the Organization is to generate an annual total rate of return for the funds sufficient to produce the following results:

1. Finance distributions (and cover related operational expenses of the investments) of 4-6% of the average market value of the investments over a three year moving average period, as agreed upon by the Trustees;
2. Inclusive of the above, grow the value of the corpus of the investments annually by at least the annual rate of inflation (CPI) for that year; and
3. Inclusive of 1 and 2, cause the real value of the investments to increase.

The above financial results should be sought without incurring a level of rate-of-return volatility materially greater than that generally associated with endowment investment programs. These results if not attainable in any given year, should be achieved on average over long periods of time to the extent allowed by returns in the broad markets. The earnings of the permanently restricted funds is for the unrestricted use of the Organization.

F. Accounts Receivable

Receivables are valued at management's estimate of the amount that will ultimately be collected. Write-offs of uncollectible balances are reported at such times that collectability is determined unlikely. Management believes that all receivables are collectible; consequently, no reserve for uncollectible accounts has been recorded.

G. Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. The Organization's capitalization policy is currently \$3,000 (\$500 in years ended before July 1, 2016). Depreciation is calculated based on estimated useful lives of the assets and amortization of leasehold improvements is provided over the shorter of their useful life or the remaining lease term using the straight-line method.

Building and Improvements	5-25 years
Furniture and equipment	3-7 years
Website	3 years

Note 1: Summary of Significant Accounting Policies (Continued)

H. Revenue

Contributions, including unconditional promises to give, are recorded when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give with due dates extending beyond one year are discounted. Donor restricted contributions are reported as increases in the donor restricted funds. When a restriction is satisfied, restricted net assets are reclassified to unrestricted net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

The Organization has adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. It requires that contributions are given which have a measurable performance or other barrier and a right of return, are not recognized until the conditions upon which they depend have been met. St. Mary's received no such contributions.

The Organization has adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) during the year. FASB ASC 606 establishes a comprehensive, principles-based framework for recognizing revenue. The guidance in FASB ASC 606 is based on the principle that revenue from contracts with customers should be recognized when an entity satisfies its obligation(s) under a contract by transferring the promised goods or services to the customer. The amount recognized is the amount the entity expects to be entitled to receive from the customer. Management has evaluated FASB ASC 606 and has found that it has not changed the manner of recognizing revenue from contracts with customers. There are no outstanding contract assets or obligations at the beginning or end of the year ended June 30, 2021.

I. Beneficial Interest in Perpetual Trusts Held by Others

The Organization is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity. The fair value of the beneficial interest in the trust is recognized as an asset and as a donor restricted contribution at the date the trust is established. The Organization's estimate of fair value is based on fair value information received from the trustees. The trust assets consist of, but are not limited to, cash and cash equivalents, equity and fixed income securities. These assets are not subject to the control or direction of the Organization. Gains and losses, which are not distributed by the trusts, are reflected as change in value of perpetual trusts held by others in the statement of activities and changes in net assets. Income from these trusts is distributed quarterly to St. Mary's and is unrestricted as to use.

J. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets and the statement of

Note 1: Summary of Significant Accounting Policies (Continued)

functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. If evident from the type of expense it is charged directly to the program or supporting service. Other costs are allocated based on the salaries of employees working in each program or supporting services. Some employees' time were spread among multiple programs and supporting services.

K. Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$96,779.

L. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for the years before the tax year ended June 30, 2018.

M. Use of Estimates

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

N. Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or by functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Note 2: Investments and Fair Value Measurement

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Such accounting guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Notes to Financial Statements

Note 2: Investments and Fair Value Measurement (Continued)

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no changes to valuation methodologies at June 30, 2021.

The Organization's investments in mutual funds are valued based on quoted market prices and are categorized in Level 1 of the investment hierarchy.

Fair values of assets measured on a recurring basis at June 30, 2021 is as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2021				
Mutual Funds	\$ 3,917,232	\$ 3,917,232	\$ -	\$ -

Of the \$3,917,232 of the Organization's investments, \$581,840 represents funds permanently restricted by donors as endowments and the remaining \$3,335,392 is unrestricted for the Organization's charitable purposes.

Note 3: Property and Equipment, net

Property and Equipment, net	
Land	\$ 62,478
Building and Improvements	340,873
Furniture and Equipment	30,864
Website	7,088
	<u>441,303</u>
Less Accumulated Depreciation and Amortization	<u>78,855</u>
Total Property and Equipment, net	<u>\$ 362,448</u>

Notes to Financial Statements

Note 4: Endowment Funds in Perpetual Trusts Held by Others

The Organization is the beneficiary of two perpetual trusts that are administered by trustees outside the Organization. Although the assets of these trusts are not in its possession, the Organization will receive the income earned on trust assets in perpetuity. The Organization's interest in each trust is as follows:

	<u>Percent Interest</u>
Calvin B. Beach	50%
Bishop of Chicago	Less than 5%

The Organization's share of the assets held in these trusts at June 30, 2021 is as follows:

Calvin B. Beach	\$ 3,881,858
Bishop of Chicago	<u>96,684</u>
	<u>\$ 3,978,542</u>

The investments held in the perpetual trusts, which are Level 1 assets (see Note 2), as reported by the trustees, consisted of the following at June 30, 2021:

Cash and short-term investments	\$ 579,807
Fixed income securities	1,200,828
Equity securities	1,789,659
Commodity funds	140,237
Real estate funds	171,327
Various	<u>96,684</u>
Total Perpetual Trust Investments	<u>\$ 3,978,542</u>

Income from these trusts, paid directly to the Organization in quarterly payments, totaled \$55,697. This income is unrestricted.

Note 5: Restrictions and Limitations on Net Assets

The Organization's donor restricted funds consist of various funds established for promoting child welfare and the operation of the Organization. The principal of these funds are permanently restricted by donors. The Organization invests these funds in broadly diversified portfolios of equity and fixed income funds to maximize total return consistent with prudent risk limitations. Income from these funds is unrestricted in accordance with the donor's wishes and the board's instructions.

Notes to Financial Statements

Note 5: Restrictions and Limitations on Net Assets (Continued)

Permanently restricted (Endowment) net assets at June 30, 2021 consist of the following:

Restricted Funds

George D. and Isabella Brown Fund	\$ 540,629
Thomas D. Lowther Trust	16,789
Scholarship Fund	<u>24,422</u>
	<u>581,840</u>

Beneficial Interest In Perpetual trusts Held by Others

Calvin B. Beach	3,881,858
Bishop of Chicago	<u>96,684</u>
	<u>3,978,542</u>
	<u>\$ 4,560,382</u>

Permanently Restricted (Endowment) Net Assets Activity

	Restricted Funds	Perpetual Trusts
June 30, 2020 balances	\$ 581,840	\$ 2,957,060
Investment return, net	135,645	55,697
Contributions	-	-
Amounts appropriated for expenditure	(135,645)	(55,697)
Reclassification of funds to unrestricted	-	-
Change in value	-	<u>1,021,482</u>
June 30, 2021 balances	<u>\$ 581,840</u>	<u>\$ 3,978,542</u>

Board designated net assets are those funds set aside by the board for a specific purpose or so that the balance of the original donation can be tracked. Board designated net assets at June 30, 2021 consist of the following:

Scholarship Fund	\$ 81,857
Maria Arbeen Memorial Fund	<u>65,783</u>
	<u>\$ 147,640</u>

There have been no additions to, or disbursements of corpus from, these funds during the year ended June 30, 2021.

Notes to Financial Statements

Note 6: Liquidity and Availability of Financial Assets

The organization manages its financial assets to meet its current obligations through an annual budget and regular review of financial information at monthly board meetings. It has adequate resources to fund its budget for the next twelve months as its unrestricted current assets exceed its current liabilities by over \$3.7 million.

Note 7: Equipment Lease

The organization has entered into an operating lease for the use of an imaging system. Rent expense for copiers for the year end June 30, 2021 were \$9,580. Future minimum lease payments are as follows:

Year Ending June 30,	
2022	\$ 8,836
2023	8,836
2024	8,836
Thereafter	<u>-</u>
	<u>\$ 26,508</u>

Note 8: Contributed Goods and Services

For the year ended June 30, 2021, the Organization received in-kind contributions totaling \$18,056. The majority of the in-kind contributions were for a licensed social worker, which has been valued at \$9,806.

Note 9: Defined Contribution Pension Plan

In September 2017 the board voted to establish a Simple IRA plan, to be offered to full-time employees that have been employed one year or longer. The Organization will match the employee's contribution equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. Employees may choose among various mutual funds to contribute to. The employees can change their contribution amounts quarterly. For the year ended June 30, 2021, the Organization contributed \$6,377 on behalf of its employees.

Note 10: Subsequent Events

In 2021, the world is experiencing a COVID-19 pandemic. The result is far reaching effects on individuals, businesses and governments. This has directly affected the Organization through the necessity of canceling or reimagining fund-raising events. This pandemic will likely hamper fund-raising efforts for the 2021-2022 year, and possibly in the future.

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Note 11: PPP Forgivable Loan

As part of the CARES Act the Small Business Administration offered forgivable loans to small businesses and nonprofits to pay for qualifying expenses under the Paycheck Protection Program. As of June 30, 2020, the Organization had availed itself of this program and received \$88,100. This amount was classified as a noncurrent liability. On February 5, 2021, the Organization availed itself of this program and received an additional \$87,965. On May 7, 2021, the Organization officially received forgiveness of \$88,100 from the first loan. On June 21, 2021, the Organization officially received forgiveness of \$87,765 from the second loan. The total of these amounts, \$176,065 has been recognized as revenue in the statement of activities.