



## Audited Financial Statements

June 30, 2020

## **Independent Auditor's Report**

To the Board of Directors of  
Heights and Hills, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Heights and Hills, Inc. ("the Organization"), which comprise the statement of financial position as of June 30, 2020, 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.

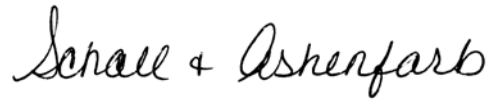
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heights and Hills, Inc. as of June 30, 2020, 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 the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



---

Schall & Ashenfarb  
Certified Public Accountants, LLC

November 11, 2020

**HEIGHTS AND HILLS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2020**  
(With comparative totals at June 30, 2019)

	<u>6/30/20</u>	<u>6/30/19</u>
<b>Assets</b>		
Cash and cash equivalents	\$873,118	\$350,984
Grants receivable	227,633	156,675
Prepaid expenses and other	15,885	5,722
Investments - board designated (Note 2)	1,254,581	1,157,813
Property and equipment (net of accumulated depreciation) (Note 3)	243,198	304,500
Security deposit	<u>69,999</u>	<u>69,999</u>
Total assets	<u><u>\$2,684,414</u></u>	<u><u>\$2,045,693</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$75,856	\$8,826
Government grant advances	23,854	0
Paycheck Protection Program loan (Note 4)	535,620	0
Deferred rent	<u>20,215</u>	<u>7,593</u>
Total liabilities	<u><u>655,545</u></u>	<u><u>16,419</u></u>
Net assets:		
Without donor restrictions	1,988,854	1,985,169
With donor restrictions (Note 6)	<u>40,015</u>	<u>44,105</u>
Total net assets	<u><u>2,028,869</u></u>	<u><u>2,029,274</u></u>
Total liabilities and net assets	<u><u>\$2,684,414</u></u>	<u><u>\$2,045,693</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**HEIGHTS AND HILLS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(With comparative totals for the year ended June 30, 2019)

	Without Donor Restrictions			With Donor Restrictions	Total 6/30/20	Total 6/30/19
	Operations	Board Designated	Total			
<b>Revenue and support:</b>						
Government grants	\$3,440,105		\$3,440,105		\$3,440,105	\$3,465,667
Contributions	212,457		212,457	\$39,410	251,867	94,825
Foundation and corporate grants	143,972		143,972		143,972	133,988
Special events (net of expenses with a direct benefit to donors) (Note 9)	25,978		25,978		25,978	132,292
Rent and other income	6,038		6,038		6,038	17,683
Net assets released from restrictions (Note 6)	43,500		43,500	(43,500)	0	0
<b>Total revenue and support</b>	<b>3,872,050</b>	<b>0</b>	<b>3,872,050</b>	<b>(4,090)</b>	<b>3,867,960</b>	<b>3,844,455</b>
<b>Expenses:</b>						
Program services	3,293,791		3,293,791		3,293,791	3,240,408
Management and general	451,426		451,426		451,426	419,948
Fundraising	206,840		206,840		206,840	174,506
<b>Total expenses</b>	<b>3,952,057</b>	<b>0</b>	<b>3,952,057</b>	<b>0</b>	<b>3,952,057</b>	<b>3,834,862</b>
<b>Change in net assets from operating activities</b>	<b>(80,007)</b>	<b>0</b>	<b>(80,007)</b>	<b>(4,090)</b>	<b>(84,097)</b>	<b>9,593</b>
<b>Non-operating activities:</b>						
Realized and unrealized gain on investments (Note 2)		68,529	68,529		68,529	48,412
Loss on Disposal of Fixed Assets	(13,698)		(13,698)		(13,698)	0
Interest and dividend income	622	28,239	28,861		28,861	37,293
<b>Total non-operating activities</b>	<b>(13,076)</b>	<b>96,768</b>	<b>83,692</b>	<b>0</b>	<b>83,692</b>	<b>85,705</b>
<b>Change in net assets</b>	<b>(93,083)</b>	<b>96,768</b>	<b>3,685</b>	<b>(4,090)</b>	<b>(405)</b>	<b>95,298</b>
<b>Net assets - beginning of year</b>	<b>827,356</b>	<b>1,157,813</b>	<b>1,985,169</b>	<b>44,105</b>	<b>2,029,274</b>	<b>1,933,976</b>
<b>Net assets - end of year</b>	<b>\$734,273</b>	<b>\$1,254,581</b>	<b>\$1,988,854</b>	<b>\$40,015</b>	<b>\$2,028,869</b>	<b>\$2,029,274</b>

*The attached notes and auditor's report are an integral part of these financial statements.*

**HEIGHTS AND HILLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(With comparative totals for the year ended June 30, 2019)

	Program Services	Management and General	Fundraising	Total 6/30/20	Total 6/30/19
Salaries	\$1,863,167	\$218,583	\$113,980	\$2,195,730	\$2,148,590
Payroll taxes and employee benefits	603,768	70,831	36,938	711,537	708,389
Occupancy	356,428	41,813	21,805	420,046	334,918
Catered meals	65,020			65,020	66,842
Telephone	17,583	2,062	1,076	20,721	20,967
Postage	2,238	29	2,152	4,419	5,505
Office supplies and printing	51,331	845	10,822	62,998	60,007
Equipment and service contracts	5,642	663	345	6,650	8,776
Program supplies	5,000			5,000	6,000
Travel and conferences	4,891	6,028		10,919	16,208
Dues	2,925	219		3,144	7,071
Insurance	19,776	2,320	1,210	23,306	18,124
Professional	215,377	95,943	2,597	313,917	305,894
Special events			7,535	7,535	22,898
Depreciation	68,560	8,044	4,194	80,798	72,346
Interest Expense		1,013		1,013	0
Other	12,085	3,033	4,186	19,304	46,948
<b>Total expenses</b>	<b>3,293,791</b>	<b>451,426</b>	<b>206,840</b>	<b>3,952,057</b>	<b>3,849,483</b>
Less: direct special event expenses netted with revenue			0	0	(14,621)
<b>Total expenses for statement of activities</b>	<b>\$3,293,791</b>	<b>\$451,426</b>	<b>\$206,840</b>	<b>\$3,952,057</b>	<b>\$3,834,862</b>

*The attached notes and auditor's report are an integral part of these financial statements.*

**HEIGHTS AND HILLS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(With comparative totals for the year ended June 30, 2019)

	<u>6/30/20</u>	<u>6/30/19</u>
Cash flows from operating activities:		
Change in net assets	(\$405)	\$95,298
Adjustment to reconcile change in net assets to net cash provided by operations:		
Depreciation	80,798	72,346
Loss on Disposal of Fixed Assets	13,698	0
Realized and unrealized gain on investments	(68,529)	(48,412)
Changes in assets and liabilities:		
Grants receivable	(70,958)	283,736
Prepaid expenses and other	(10,163)	7,748
Security deposit	0	(48,666)
Accounts payable and accrued expenses	67,030	(5,787)
Government grant advances	23,854	0
Security deposit payable	0	(7,680)
Paycheck Protection Program loan	535,620	0
Deferred rent	12,622	(15,272)
Total adjustments	<u>583,972</u>	<u>238,013</u>
Net cash provided by operating activities	<u>583,567</u>	<u>333,311</u>
Cash flows from investing activities:		
Purchases of investments (including reinvestment of investment income)	(249,393)	(137,279)
Sales of investments	221,154	100,000
Purchase of property and equipment	(33,194)	(117,666)
Net cash used for investing activities	<u>(61,433)</u>	<u>(154,945)</u>
Increase in cash and cash equivalents	522,134	178,366
Cash and cash equivalents - beginning of year	<u>350,984</u>	<u>172,618</u>
Cash and cash equivalents - end of year	<u>\$873,118</u>	<u>\$350,984</u>
Supplemental information:		
Taxes paid	<u>\$0</u>	<u>\$8,000</u>
Interest paid	<u>\$0</u>	<u>\$0</u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**HEIGHTS AND HILLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a. Organization

Heights and Hills, Inc. (the "Organization"), a non-profit corporation in the state of New York, promotes successful aging in Brooklyn by providing direct services to older adults, their families and the community at large.

The Organization has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has not been designated as a private foundation.

b. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

Effective July 1, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price and then allocating the price, to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective July 1, 2019, the Organization adopted ("ASU") No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the Organization evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the Organization applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

For contributions, the Organization evaluates whether they are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Organization to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Analysis of the various provisions of both standards resulted in no significant changes in the way the Organization recognizes revenue.



c. Basis of Presentation

As a not-for-profit organization, the Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. They are reflected on the financial statements as without donor restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

d. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to gains or losses on investments, interest and dividends, and loss on disposal of fixed assets.

e. Revenue Recognition

The Organization did not have any types of revenue that fall under Topic 606.

Contributions and government grants are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions and grants that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Pledges are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2020 and 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

Cash received on government grants that exceed revenue recognized is reflected as government grant advances, which will be applied to future years or paid back to the grantor.

f. Cash and Cash Equivalents

All liquid investments, with an initial maturity of three months or less are considered to be cash and cash equivalents except for cash held with an investment custodian for long-term purposes.

g. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash and investment securities, which are placed with financial institutions that management deems to be creditworthy. The market value of investments is subject to fluctuation; however, management believes that the investment policy is prudent for the long-term welfare of the Organization. At times, balances may exceed federally insured limits. At year end, a significant portion of the funds was not insured; however, the Organization has not experienced any losses from these accounts due to bank failure.

h. Investments

Investments are recorded at fair value which is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in income on the statement of activities.

i. Capitalization Policies

The Organization capitalizes furniture, equipment, vehicles, and leasehold improvements at cost if they exceed pre-determined amounts and benefit future periods. Equipment purchased with funds received from government grants where title remains with the grantor, or it is likely that the grantor will maintain ownership of the asset, are expensed in the period incurred. Normal maintenance and repair costs are also charged to expense when incurred.

All fixed assets and leasehold improvements are depreciated using the straight-line method over the estimated useful lives of the assets (generally 3 to 7 years) or the terms of the lease.

j. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

k. In-Kind Services

Donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind, are recognized at fair value.

A substantial amount of management, administrative and fundraising duties are performed voluntarily by the board of directors. Those services have not been recorded as they have not met the criteria outlined above. Volunteer hours for provision of direct services were approximately 1,500 hours for the year.

l. Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. There were no donated assets during the years ended June 30, 2020 and June 30, 2019.

m. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. 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, 2019 from which the summarized information was derived.

n. Expense Allocation

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

The following expenses were allocated using time and effort as the basis:

- Salaries
- Payroll taxes and employee benefits
- Occupancy
- Telephone
- Equipment and service contracts
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

o. Management Estimates

The preparation of financial statements in accordance 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.

p. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2017 and later are subject to examination by applicable taxing authorities.

q. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 11, 2020, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date, that would require adjustment to or disclosure in the financial statements.

r. New Accounting Pronouncements

FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

FASB issued ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line item presentation on the statement of activities and additional disclosures.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

**Note 2 - Board Designated Net Assets/Investments**

Investments consist of a board designated fund. Changes in investments were as follows:

	<u>6/30/20</u>	<u>6/30/19</u>
Investments - beginning of year	\$1,157,813	\$1,072,122
Investment return:		
Unrealized gain or loss on investments	(13,441)	22,840
Realized gain on investments	81,970	25,572
Interest and dividend income	<u>28,239</u>	<u>37,279</u>
Investments - end of year	<u>\$1,254,581</u>	<u>\$1,157,813</u>

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets.

The following summarizes the composition of investments:

	<u>6/30/20</u>	<u>6/30/19</u>
Money funds	\$195,316	\$151,408
US Mutual funds – equities	420,327	545,958
US Mutual funds – government bonds	272,795	200,204
US Mutual funds – bonds	<u>366,143</u>	<u>260,243</u>
Total	<u>\$1,254,581</u>	<u>\$1,157,813</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The investment portfolio maintains a moderate risk profile through long-term allocation among several asset classes in order to preserve the inflation-adjusted purchasing power of the portfolio.

The policy is to accumulate interest, dividends, and other market gains for future appropriation, in order to meet future programmatic needs and strategic goals. Appropriations are approved by the board of directors as deemed prudent and distributed for operating purposes.

All dividends received during the year have been reinvested in additional shares.

**Note 3 - Property and Equipment**

Property and equipment consist of:

	<u>6/30/20</u>	<u>6/30/19</u>
Equipment and furniture <i>(3 to 5 years)</i>	\$216,610	\$183,416
Leasehold improvements <i>(life of lease)</i>	<u>340,837</u>	<u>406,595</u>
	557,447	590,011
Less: accumulated depreciation	<u>(314,249)</u>	<u>(285,511)</u>
Net property and equipment	<u>\$243,198</u>	<u>\$304,500</u>

**Note 4 - Paycheck Protection Program Loan**

During the year ended June 30, 2020, the Organization obtained a loan from the SBA in the amount of \$535,620 through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a five-year period, with a six-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these financial statements.

The Organization expects to recognize revenue from this loan consistent with ASU 2018-08, as it is considered to have traits similar to a conditional contribution; however, will continue to review whether any new accounting pronouncements may be issued that will provide more definitive guidance.

**Note 5 - Commitments**

The Organization occupies office space and program space at 81 Willoughby Street under a non-cancelable lease which expires on October 31, 2023. The Organization also has a lease for space in Park Slope, New York for a senior center which expires on June 30, 2021. Total rent expense was \$365,000 and \$271,000, for the years ended June 30, 2020 and 2019, respectively.

Minimum future obligations are as follows:

Year ending:	June 30, 2021	\$362,120
	June 30, 2022	302,989
	June 30, 2023	312,078
	June 30, 2024	<u>105,046</u>
Total		<u>\$1,082,233</u>

**Note 6 - Net Assets With Donor Restrictions**

The following summarized the nature of net assets with donor restrictions:

	<u>June 30, 2020</u>			
	<u>7/1/19</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/20</u>
Programs:				
Volunteer coordinator	\$20,000	\$0	(\$20,000)	\$0
Senior Center	4,105	1,410	(500)	5,015
Community Conversations				
Education	0	20,000	0	20,000
COVID-19 Emergency Fund	0	10,000	(3,000)	7,000
Equipment	0	5,000	0	5,000
Other programs	0	3,000	0	3,000
Time	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>	<u>0</u>
Total	<u>\$44,105</u>	<u>\$39,410</u>	<u>(\$43,500)</u>	<u>\$40,015</u>
	<u>June 30, 2019</u>			
	<u>7/1/18</u>	<u>Restricted Contributions</u>	<u>Released from Restrictions</u>	<u>6/30/19</u>
Programs:				
Volunteer coordinator	\$26,251	\$20,000	(\$26,251)	\$20,000
Senior Center	0	4,320	(215)	4,105
Time	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total	<u>\$26,251</u>	<u>\$44,320</u>	<u>(\$26,466)</u>	<u>\$44,105</u>

**Note 7 - Significant Concentrations**

The Organization derives its income primarily from reimbursements from the New York City Department for the Aging (DFTA) and from donations and grants. Approximately 85% and 86% of the Organization's support was derived from DFTA for the years ended June 30, 2020 and 2019, respectively.

**Note 8 - Retirement Plan**

All employees who are at least 21 years of age and have worked at least one year of service with the Organization are covered by a defined contribution pension plan. Employees are 100% vested upon completion of 3 years of service. Contributions are 6% of covered employees' salaries. Forfeitures are used to reduce administrative expenses. Total contributions to the plan for the years ended June 30, 2020 and 2019 were \$108,000 and \$106,000, respectively.

**Note 9 - Special Events**

During the year ended June 30, 2020, the annual fundraising benefit was cancelled due to the closures and quarantines caused by the COVID-19 pandemic. The Organization held two smaller events during the year ended June 30, 2020. No direct expenses were incurred as the events took place at the senior center.

Special events proceeds are summarized as follows:

	<u>6/30/20</u>	<u>6/30/19</u>
Event income	\$25,978	\$146,913
Less: expenses with a direct benefit to donors	<u>0</u>	<u>(14,621)</u>
	25,978	132,292
Less: other event expenses	<u>(7,535)</u>	<u>(8,277)</u>
Total	<u>\$18,443</u>	<u>\$124,015</u>

**Note 10 - Availability and Liquidity**

Financial assets available within one year of the date of the statement of financial position for general expenditures are as follows:

Cash and cash equivalents	\$873,118	
Grants receivable	227,633	
Investments	<u>1,254,581</u>	
Total financial assets		\$2,355,332
Less amounts not currently available for general expenditures:		
Board designated fund	(1,254,581)	
Donor restricted support	<u>(40,015)</u>	
Total amounts not currently available for general expenditures		<u>(1,294,596)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,060,736</u>

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on government grants and contributions to fund its operations and program activities. The Organization's board designated funds consist of investments and while these assets are not considered available for general expenditures by management, the board restricted fund can be made available if the need arises.

**Note 11 - Other Matters**

During the year, the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Since then, the pandemic has led to quarantines, facility closures, and travel and logistics restrictions that have hurt workforces, economies, and financial markets. The Organization has continued all of its services and administrative functions via phone and internet, and revenue has not been reduced to date. The impact of the pandemic on government revenue has the potential to adversely affect the Organization in the future, but as of the date of the financial statements, this potential impact cannot be quantified.