FLAGLER ECUMENICAL SOCIAL SERVICE CENTER, INC.
FINANCIAL REPORT

Year Ended June 30, 2021

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Management and Board of Directors of
Flagler Ecumenical Social Service Center, Inc.
Bunnell, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Flagler Ecumenical Social Service Center, Inc. (a Florida not-for-profit 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.

Auditors' 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 Flagler Ecumenical Social Service Center, Inc. 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.

Subsequent Event: COVID-19 Pandemic

As discussed in Note 12 to the financial statements, management has evaluated the operational and financial effect on the Organization of the COVID-19 pandemic. Our opinion is not modified with respect to that matter.

Abare, Kresge & Associates CPAs, LLC

St. Augustine, FL
December 27, 2021

FLAGLER ECUMENICAL SOCIAL SERVICE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS	
CURRENT ASSETS	
Cash	$ 279,872
Grants receivable	244,860
Pledges receivable	575
Other receivables	1,355
Prepaid expenses	21,604
Total current assets	548,266
PROPERTY AND EQUIPMENT, NET	593,484
OTHER ASSETS	
Deposits	4,300
Total other assets	4,300
TOTAL ASSETS	$ 1,146,050
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 48,293
Deferred revenue	59,100
Accrued interest on long-term debt	178,848
Current maturities of long-term debt	52,101
Total current liabilities	338,342
LONG-TERM DEBT	
Standstill agreement	251,425
Total long-term liabilities	251,425
TOTAL LIABILITIES	589,767
NET ASSETS WITHOUT DONOR RESTRICTIONS	556,283
TOTAL LIABILITIES AND NET ASSETS	$ 1,146,050

FLAGLER ECUMENICAL SOCIAL SERVICE CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND FEES			
Contributions	$ 117,861	$ -	$ 117,861
Fundraising proceeds, net	15,032	-	15,032
Grants	-	1,070,987	1,070,987
Contributions, in-kind	46,939	-	46,939
Refundable advance forgiveness income	150,798	-	150,798
Other revenue	8,720	-	8,720
Total revenue and fees	339,350	1,070,987	1,410,337
NET ASSETS RELEASED FROM RESTRICTIONS	1,070,987	(1,070,987)	-
EXPENSES			
Program	1,100,836	-	1,100,836
Management and general	247,121	-	247,121
Total expenses	1,347,957	-	1,347,957
CHANGE IN NET ASSETS	62,380	-	62,380
NET ASSETS, BEGINNING	493,903	-	493,903
NET ASSETS, ENDING	$ 556,283	$ -	$ 556,283

See accompanying notes

FLAGLER ECUMENICAL SOCIAL SERVICE CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	PROGRAM SERVICES							
	SHELTER	OUTREACH	SAVE	ECONOMIC JUSTICE	INJUNCTION FOR PROTECTION	TOTAL	MANAGEMENT AND GENERAL	TOTAL
Advertisment and promotion	$ 151	$ 22,139	$ 17,228	$ -	$ -	$ 39,518	$ -	$ 39,518
Bank charges	-	-	-	-	-	-	603	603
Dues and membership	1,477	1,198	208	-	-	2,883	266	3,149
Education and health services	120	-	36,675	80	-	36,875	-	36,875
Equipment lease	3,335	1,641	649	198	238	6,061	602	6,663
Housing assistance	1,106	443	-	2,332	-	3,881	-	3,881
Insurance expense	13,744	3,285	1,149	306	648	19,132	2,506	21,638
Interest expense	-	-	-	-	-	-	22,374	22,374
In-kind professional services	3,208	-	987	-	-	4,195	966	5,161
In-kind therapy	-	-	12,225	-	-	12,225	-	12,225
In-kind supplies	9,771	7,897	3,612	1,638	2,489	25,407	4,146	29,553
Kennel supplies and equipment	5,291	-	-	-	-	5,291	-	5,291
Legal and accounting	6,482	4,207	1,879	609	1,406	14,583	3,417	18,000
Maintenance and repairs	8,775	2,784	658	510	156	12,883	1,364	14,247
Office and administrative expenses	4,520	4,459	2,949	652	2,433	15,013	6,000	21,013
Operating supplies	13,160	47	3,987	-	-	17,194	-	17,194
Participant assistance	18,211	472	-	131	-	18,814	-	18,814
Participant transportation	8,241	880	50	1,308	-	10,479	-	10,479
Printing and reproduction	791	1,148	602	155	182	2,878	450	3,328
Property taxes	-	-	-	-	-	-	3,689	3,689
Rent expense	2,554	16,412	8,146	2,164	2,545	31,821	6,699	38,520
Salaries, taxes and benefits	301,489	224,008	89,179	32,305	90,332	737,313	176,807	914,120
Security services	557	159	16	14	-	746	48	794
Telephone and communications	6,152	5,281	2,314	516	593	14,856	1,709	16,565
Training and conferences	1,369	1,999	795	870	275	5,308	-	5,308
Travel	68	195	76	112	-	451	6	457
Utilities	15,322	6,797	3,363	1,148	1,067	27,697	2,635	30,332
Other	348	68	35	10	12	473	7,624	8,097
Total expenses before depreciation	426,242	305,519	186,782	45,058	102,376	1,065,977	241,911	1,307,888
Depreciation expense	16,027	10,418	3,205	3,606	1,603	34,859	5,210	40,069
Total expenses	$ 442,269	$ 315,937	$ 189,987	$ 48,664	$ 103,979	$ 1,100,836	$ 247,121	$ 1,347,957

See accompanying notes

FLAGLER ECUMENICAL SOCIAL SERVICE CENTER, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 62,380
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	40,069
Loss on disposition of property and equipment	7,595
Net changes in:	
Grants receivable	7,402
Other receivables	(665)
Prepaid expenses	(9,755)
Accounts payable and accrued expenses	(14,268)
Deferred revenue	48,645
Refundable advance	(150,798)
Accrued interest on long-term debt	22,334
Net cash provided by operating activities	12,939
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(63,224)
Net cash used by investing activities	(63,224)
NET CHANGE IN CASH	(50,285)
CASH, BEGINNING	330,157
CASH, ENDING	$ 279,872

See accompanying notes

NOTE 1 ORGANIZATION

Flagler Ecumenical Social Service Center, Inc., (the "Center"), a Florida not-for-profit corporation, was organized in May 1987 and operates as the "Family Life Center". The Center is engaged in providing various social services to the community, including social outreach programs, crisis counseling, and emergency shelter. All of the Center's services are free and confidential.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities of the Center.

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Revenue Recognition for the contract related services requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an Center expects to be entitled in exchange for those goods and services. The Center has adjusted the presentation of these statements accordingly.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of less than 90 days.

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value. Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Center can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

All financial instruments of the Center are considered to be Level 1 in the fair value hierarchy.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958-205. Under FASB ASC 958-205, the Center is required to report information regarding its financial position and activities according to the following net asset classifications:

a. 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 the Center. The Center's board may designate assets without restrictions for specific operational purposes from time to time.

b. 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 the Center or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Grants Receivable

As of June 30, 2021, all grants receivable of the Center represent amounts due under contractual grant agreements from various governmental agencies. The Center writes off specific accounts as they become uncollectable. All amounts receivable are considered fully collectable by the Center as of June 30, 2021 and consequently no allowance for uncollectable accounts has been made. Use of the direct method did not result in a material departure from accounting principles generally accepted in the United States of America.

Promises to Give

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Promises to give are recorded when unconditional promises to pay are recorded. Unconditional promises to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. As of June 30, 2021, all unconditional promises to give were expected to be received within twelve months and are, therefore, not discounted.

The Center writes off specific pledges receivable as they become uncollectable. Use of the direct method did not result in a material departure from accounting principles generally accepted in the United States of America.

Property and Equipment

Purchased fixed assets are recorded at cost. Donated property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time. Expenditures for renewals or improvements that either materially add value or prolong the useful lives of assets are capitalized. Minor expenditures for small equipment less than $500 are expensed as incurred.

Furniture and equipment are depreciated using the straight-line method over their estimated useful lives, which range from 5 to 10 years. Buildings and improvements are depreciated using the straight-line method over their estimated useful life of 39 years. Depreciation expense for the year ended June 30, 2021 was $40,069.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts and the variances are held to be immaterial.

Income Taxes

The Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

Accounting for uncertain tax positions

The Center has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Center, management believes that its income tax filing positions and deductions are well documented and supported.

As of June 30, 2021, the Center had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of June 30, 2021, the Center had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

Since the tax matters are subject to some degree of uncertainty, there can be no assurance that the Center's tax returns will not be challenged by the taxing authorities and that the Center will not be subject to additional tax, penalties, and interest as a result of such challenge. At June 30, 2021, the periods that remain open to examination under federal statute are for the fiscal years ended June 30, 2018 through 2020.

Functional Allocation of Expenses

The costs of providing the Center's program, special events, and other activities have been summarized on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Administrative, program support and shared costs, are allocated as direct costs to benefiting cost objectives when that cost objective can be readily identified. When the cost objective cannot be readily identified, the cost is allocated based on the time and effort of staff on corresponding programs.

The expenses that are allocated include the following:

Expense	Method of Allocation
In-kind professional services	Time and effort
In-kind supplies	Time and effort
Depreciation expense	Time and effort

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

The Center records the value of donated goods or services when there is an objective basis available to measure their value. Donated services of a professional or skilled nature are presented at the estimated value of such services. Donated materials and equipment are reflected in the accompanying statements at their estimated value at date of receipt.

Additionally, a number of volunteers periodically donate significant amounts of time to the Center. No amounts have been reflected in the statements for these contributed services since the contribution of these services did not create or enhance non-financial assets or require specialized skills.

Contributions

In accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Entities*, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. 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 and reported in the statements of activities as net assets released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Compensated Absences

Employees of the Center are entitled to paid time off depending on length of service and other factors. The amount accrued for compensated absences at June 30, 2021 was $33,701.

Advertising Costs

The Center follows the policy of charging advertising to expense as incurred. The advertising expense for the year ended June 30, 2021 was $39,518 and included in the advertisement and promotion in the statement of functional expenses.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2021:

Equipment	$ 217,183
Furniture and fixtures	182,631
Buildings and improvements	463,808
Land	222,960
Total property and equipment	1,086,582
Less, accumulated depreciation	(493,098)
Property and equipment, net	$ 593,484

NOTE 4 DONOR RESTRICTED NET ASSETS RELEASED FROM RESTRICTIONS

Donor restricted net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Donor restricted net assets released during the fiscal year ended June 30, 2021 were utilized for program expenditures that totaled $1,070,987. As of June 30, 2021, there were no net assets with donor restrictions.

NOTE 5 GRANTS RECEIVABLE

Grants receivable were composed of the following as of June 30, 2021:

Office of the Florida Attorney General	$ 162,195
Florida Department of Children & Families	51,586
Flagler County Board of Commissioners	13,455
Florida Council Against Sexual Violence	7,894
Emergency Food & Shelter Program	5,000
Volusia-Flagler County Coalition for the Homeless	3,366
Daytona State College	1,364
Total grants receivable	$ 244,860

NOTE 6 LONG-TERM DEBT

On February 5, 2010, the Center entered into a lease agreement, for the use of real commercial property in Palm Coast, Florida. The agreement required monthly rent payment of $5,250 for 60 months, commencing on March 1, 2010. In September, 2010 the Center terminated the lease agreement and stopped making its monthly lease payments. The landlord filed a lawsuit against the Center alleging breach of contract on the lease. In January 2011, the Center and the landlord settled the litigation which awarded the landlord the total sum of $303,396, which was included in “other expenses” on the statement of activities in the year ended June 30, 2011. The landlord and the Center entered into a Standstill Agreement which stipulates that the Center is to pay $1,500 per month, including interest, beginning February 1, 2011, and which is to be credited against $303,396. As of June 30, 2021, the outstanding balance of the debt was $482,374, comprised of principal of $303,526 and accrued interest of $178,848.

At June 30, 2021, future minimum payments are as follows:

2022	$ 52,101
2023	6,191
2024	6,492
2025	6,807
2026	7,137
Thereafter	224,798
Total future payments	$ 303,526

NOTE 7 SUMMARY OF GRANT FUNDING REVENUE

During the fiscal year ended June 30, 2021, the Center received the following grants:

Grants from governmental agencies	
Office of the Florida Attorney General	$ 496,625
Florida Department of Children and Families	325,301
Flagler County Board of Commissioners	78,844
Volusia-Flagler County Coalition for the Homeless	50,526
Florida Council Against Sexual Violence	44,456
Emergency Food & Shelter Program	3,649
Total grants from governmental agencies	999,401
Grants from nongovernmental agencies	
United Way grants	50,004
Other grants	21,582
Total grants from nongovernmental agencies	71,586
Total grant funding	$ 1,070,987

NOTE 8 LIQUIDITY OF FINANCIAL ASSETS

The Center has $526,662 of financial assets available within one year of June 30, 2021 to meet cash needs for general expenditures. The total amount consisted of cash and cash equivalents $279,872, grants receivable $244,860, and other receivables $1,930. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of June 30, 2021. As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 9 LEASE AGREEMENTS

The Center leases office space under a month-to-month operating lease agreement in Bunnell, Florida. Under this lease, a $3,000 monthly rent payment is required. The lease can be terminated at either party's discretion at any time with 30 day notice. Total lease expense for the fiscal year ended June 30, 2021 was $36,000 and is reported in rent expense on the statement of functional expenses.

The Center was subject to a verbal lease agreement for use of property in Bunnell, Florida. Under this lease, a $210 monthly rent payment is required. The lease period shall continue indefinitely and may be cancelled at any time. Total lease expense for the fiscal year ended June 30, 2021 was $2,520 and is reported in rent expense on the statement of functional expenses.

The Center also maintained a non-cancelable operating lease agreement for office equipment. Under this lease, a $509 monthly rent payment is required. Equipment rent for the fiscal year ended June 30, 2021 was $6,663 and is included in equipment lease on the statement of functional expenses.

Future amounts due under the lease commitments at June 30 are as follows:

2022	$ 6,108
2023	6,108
2024	6,108
2025	509
Total	$ 18,833

NOTE 10 CONCENTRATION OF CREDIT RISK

The Center maintains its cash balances with high quality financial institutions. Accounts at these institutions currently are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times, such investments may be in excess of FDIC insurance limits. The Center does not believe it is exposed to any significant credit risk on its cash and cash equivalents. As of June 30, 2021, the Center did not maintain any cash balances in excess of FDIC insurance limits.

NOTE 11 OTHER CONCENTRATIONS

Area of Service

The Center provides services, generally, to residents of Flagler County, Florida who are victims of domestic violence or sexual assault.

Funding

The Center's receives a significant portion of its support through federal, state and local government funding. For the year ending June 30, 2021, funding from the Center's two largest grantors amounted to approximately 46% and 30%, respectively, of the Center's total revenue for the year. Consequently, changes in government funding levels in future periods have the potential to significantly impact the financial position and operations of the Center.

NOTE 12 CORONAVIRUS (COVID-19)

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. Any impact of COVID-19 to the Organization during the year ended June 30, 2021 is reflected in these financial statements. Subsequent to the statement of financial position date, the extent of the impact of COVID-19 on the Center's operational and financial performance will depend on future developments, including the duration and spread of the outbreak as well as other factors, all of which are highly uncertain and cannot be predicted at this time.

NOTE 13 REFUNDABLE ADVANCE

In April 2020, the Center applied for, was approved, and was funded $150,798 for a loan under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief and Economic Security (CARES) Act that was signed into law on March 27, 2020. As a U.S. nonprofit, the Center has qualified for the PPP, which allows businesses and nonprofits with fewer than 500 employees to obtain loans of up to $10 million to incent Organizations to maintain their workers as they manage the business disruptions caused by the COVID-19 pandemic. Some or all of the loan may be forgiven if at least 60 percent of the loan proceeds are used to cover payroll costs, including the salaries and benefits and other allowable costs, provided the Center maintains its employment and compensation within certain parameters during the forgiveness period, as determined by management (up to twenty-four weeks), following the loan origination date and complies with other relevant conditions. Should the loan ultimately not be forgiven by the Small Business Administration (SBA), the loan would be paid off in a timely manner by ensuring that the property is not negatively impacted in any way.

As of June 30, 2020, the Center had not satisfied the requirements of the refundable advance. As a result, the Center reported $150,798 as refundable advance (liability) on the balance sheet. As of June 30, 2021, the Center had satisfied the requirements of the refundable advance, and, as of the date of this report, formal forgiveness has been received from the Small Business Administration (SBA). Therefore, based on the guidance set forth by FASB, the Center reported the full amount of the advance ($150,798) as refundable advance forgiveness income on the statement of activities.

NOTE 14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 27, 2021. The impact of Coronavirus (COVID-19) to the Organization is discussed in Note 12. No other events were identified as necessary to be disclosed to keep these financial statements from being misleading or that provide additional evidence about conditions that existed at June 30, 2021, including estimates inherent in the process of preparing these financial statements.