

Today's Harbor for Children, Inc.

Financial Statements
and Independent Auditors' Report
for the years ended June 30, 2022 and 2021

Today's Harbor for Children, Inc.

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Independent Auditors' Report

To the Board of Directors of
Today's Harbor for Children, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Today's Harbor for Children, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Today's Harbor for Children, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Today's Harbor for Children, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Cessation of Operations

As discussed in Note 1 to the financial statements, Today's Harbor for Children, Inc. has ceased operating programs and intends to contribute its remaining resources to DePelchin Children's Center. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Today's Harbor for Children, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Today's Harbor for Children, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Today's Harbor for Children, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

September 15, 2022

Today's Harbor for Children, Inc.

Statements of Financial Position as of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 445,552	\$ 389,386
Program service contracts receivable	6,365	41,801
Prepaid expenses and other assets	98,900	105,562
Investments (<i>Notes 3 and 4</i>)	4,915,796	7,073,606
Property, net (<i>Note 5</i>)	<u>2,329,189</u>	<u>2,551,735</u>
 TOTAL ASSETS	 <u>\$ 7,795,802</u>	 <u>\$ 10,162,090</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 28,977	\$ 32,220
Accrued salaries and related benefits	11,066	28,329
Refundable advances:		
Paycheck Protection Program (<i>Note 7</i>)		278,723
Special event sponsorships		<u>72,600</u>
Total liabilities	<u>40,043</u>	<u>411,872</u>
Net assets:		
Without donor restrictions	7,658,369	9,565,627
With donor restrictions (<i>Note 6</i>)	<u>97,390</u>	<u>184,591</u>
Total net assets	<u>7,755,759</u>	<u>9,750,218</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 7,795,802</u>	 <u>\$ 10,162,090</u>

See accompanying notes to financial statements.

Today's Harbor for Children, Inc.

Statement of Activities for the year ended June 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Contributions (<i>Note 7</i>):			
Financial	\$ 642,743	\$ 36,500	\$ 679,243
In-kind	11,660		11,660
PPP loan forgiveness		278,723	278,723
Program service contract fees	184,203		184,203
Special events:			
Revenue	515,831		515,831
Cost of donor benefits	(98,694)		(98,694)
Other income	<u>1,126</u>		<u>1,126</u>
Total operating revenue	1,256,869	315,223	1,572,092
Net assets released from restrictions:			
Program support and donor releases	<u>402,424</u>	<u>(402,424)</u>	
Total	<u>1,659,293</u>	<u>(87,201)</u>	<u>1,572,092</u>
OPERATING EXPENSES:			
Program services	1,412,825		1,412,825
Management and general	447,393		447,393
Fundraising	<u>179,374</u>		<u>179,374</u>
Total operating expenses	<u>2,039,592</u>		<u>2,039,592</u>
CHANGES IN NET ASSETS FROM OPERATIONS	(380,299)	(87,201)	(467,500)
NON-OPERATING TRANSACTIONS:			
Gain from insurance recovery (<i>Note 8</i>)	46,367		46,367
Gain on sale of property	83,499		83,499
Net investment return	<u>(1,656,825)</u>		<u>(1,656,825)</u>
CHANGES IN NET ASSETS	(1,907,258)	(87,201)	(1,994,459)
Net assets, beginning of year	<u>9,565,627</u>	<u>184,591</u>	<u>9,750,218</u>
Net assets, end of year	<u>\$ 7,658,369</u>	<u>\$ 97,390</u>	<u>\$ 7,755,759</u>

See accompanying notes to financial statements.

Today's Harbor for Children, Inc.

Statement of Activities for the year ended June 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Contributions (<i>Note 7</i>):			
Financial	\$ 825,440	\$ 228,745	\$ 1,054,185
In-kind	49,432		49,432
Program service contract fees	407,298		407,298
Special events:			
Revenue	159,295		159,295
Cost of donor benefits	(38,975)		(38,975)
Other income	<u>217</u>		<u>217</u>
Total operating revenue	1,402,707	228,745	1,631,452
Net assets released from restrictions:			
Program services	11,886	(11,886)	
Strategic plan	<u>181,152</u>	<u>(181,152)</u>	
Total	<u>1,595,745</u>	<u>35,707</u>	<u>1,631,452</u>
OPERATING EXPENSES:			
Program services	1,609,276		1,609,276
Management and general	388,933		388,933
Fundraising	<u>130,151</u>		<u>130,151</u>
Total operating expenses	<u>2,128,360</u>		<u>2,128,360</u>
CHANGES IN NET ASSETS FROM OPERATIONS	(532,615)	35,707	(496,908)
NON-OPERATING TRANSACTIONS:			
Net investment return	<u>1,786,789</u>		<u>1,786,789</u>
CHANGES IN NET ASSETS	1,254,174	35,707	1,289,881
Net assets, beginning of year	<u>8,311,453</u>	<u>148,884</u>	<u>8,460,337</u>
Net assets, end of year	<u>\$ 9,565,627</u>	<u>\$ 184,591</u>	<u>\$ 9,750,218</u>

See accompanying notes to financial statements.

Today's Harbor for Children, Inc.

Statement of Functional Expenses for the year ended June 30, 2022

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Operating expenses:				
Salaries and related benefits	\$ 439,774	\$ 203,261	\$ 78,261	\$ 721,296
Professional fees	234,753	173,862	48,678	457,293
Depreciation	259,442			259,442
Insurance	221,142	13,562	4,588	239,292
Repairs and maintenance	138,869	3,867	1,489	144,225
Utilities	61,792	22,500	6,003	90,295
Supplies	6,559	7,803	19,800	34,162
Postage and printing	913	3,816	20,555	25,284
Educational and residential supplies	18,208			18,208
Transportation	17,524			17,524
Food	8,048			8,048
Dues and subscriptions	4,693			4,693
Conferences and training		1,660		1,660
Cash allowances and gifts to residents	944			944
Travel	164	205		369
Other		16,857		16,857
Total operating expenses	<u>\$ 1,412,825</u>	<u>\$ 447,393</u>	<u>\$ 179,374</u>	2,039,592
Special events:				
Cost of donor benefits				<u>98,694</u>
Total				<u>\$ 2,138,286</u>

See accompanying notes to financial statements.

Today's Harbor for Children, Inc.

Statement of Functional Expenses for the year ended June 30, 2021

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Operating expenses:				
Salaries and related benefits	\$ 659,998	\$ 88,475	\$ 64,319	\$ 812,792
Professional fees	38,382	254,080	5,895	298,357
Depreciation	290,678			290,678
Insurance	202,675	6,051	4,744	213,470
Repairs and maintenance	110,200	1,709	1,353	113,262
Utilities	110,008	10,552	6,560	127,120
Supplies	23,340	13,190	6,628	43,158
Postage and printing	89	174	2,218	2,481
Educational and residential supplies	45,835			45,835
Transportation	13,370			13,370
Food	44,957			44,957
Dues and subscriptions	5,155			5,155
Conferences and training	96		56	152
Cash allowances and gifts to residents	3,403			3,403
Travel	703	77		780
Contract services	58,676		26,400	85,076
Rent	1,711	1,711	11,978	15,400
Other		12,914		12,914
Total operating expenses	<u>\$ 1,609,276</u>	<u>\$ 388,933</u>	<u>\$ 130,151</u>	2,128,360
Special events:				
Cost of donor benefits				<u>38,975</u>
Total				<u>\$ 2,167,335</u>

See accompanying notes to financial statements.

Today's Harbor for Children, Inc.

Statements of Cash Flows for the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (1,994,459)	\$ 1,289,881
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	259,442	290,678
Gain on sale of property	(83,499)	
Net realized (gain) loss on investments	1,720,570	(1,760,313)
Changes in operating assets and liabilities:		
Program service contracts receivable	35,436	14,421
Prepaid expenses and other assets	6,662	14,180
Accounts payable, accrued salaries, and related benefits	(20,506)	(35,135)
Paycheck Protection Program	(278,723)	
Special event sponsorships	<u>(72,600)</u>	<u>39,300</u>
Net cash used by operating activities	<u>(427,677)</u>	<u>(146,988)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	3,115,216	4,567,818
Purchases of investments	(2,700,571)	(4,497,890)
Change in cash and money market mutual funds held as investments	22,595	(15,699)
Purchases of property	(45,897)	(23,824)
Proceeds from sale of property	<u>92,500</u>	<u>3,600</u>
Net cash provided by investing activities	<u>483,843</u>	<u>34,005</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit		10,000
Repayment of line of credit		<u>(10,000)</u>
Net cash provided by financing activities		<u>0</u>
NET CHANGE IN CASH	56,166	(112,983)
Cash, beginning of year	<u>389,386</u>	<u>502,369</u>
Cash, end of year	<u>\$ 445,552</u>	<u>\$ 389,386</u>

See accompanying notes to financial statements.

Today's Harbor for Children, Inc.

Notes to Financial Statements for the years ended June 30, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Today's Harbor for Children, Inc. (Today's Harbor) was incorporated in Texas in 1947. For 75 years, Today's Harbor helped thousands of youth rise above the battle scars of abandonment, neglect, and abuse to fulfil their potential. Today's Harbor provided healthy, comprehensive care for children and families in crisis by providing a home in La Porte, Texas for dependent, homeless, abandoned, neglected, or underprivileged children, and promoting the general welfare of children by teaching the principles of right living and good citizenship.

Changes in the legal and regulatory landscape have impaired Today's Harbor's ability to deliver the same residential services as have been historically provided. In order to meet the needs of today's youth, Today's Harbor has entered into a memorandum of understanding with DePelchin Children's Center with the intention to enter into definitive agreements for transfer of the remaining resources of Today's Harbor to DePelchin Children's Center with a plan of using those resources to provide programs focused on pregnant and parenting teens and on older youth preparing for independence.

Federal income tax status – Today's Harbor is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Cash includes demand deposits held by financial institutions, except that cash held for investment purposes is grouped with investments in the statement of financial position and excluded from cash in the statement of cash flows. Bank deposits exceed the federally insured limit per depositor per institution.

Program service contracts receivable are noninterest-bearing amounts that reflect the amount Today's Harbor expects to receive for services already provided. Amounts are generally collected one to two months after services are provided. An allowance for uncollectible amounts is provided when changed circumstances indicate an amount may not be collected in full. All amounts are due from state agencies that management believes will be fully collected and no allowance has been provided.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Property is reported at cost if purchased and at fair value at the date of gift if donated. Today's Harbor capitalizes additions and improvements with a cost of more than \$500. Depreciation is provided on a straight-line basis over estimated useful lives of 10 to 30 years for building and leasehold improvements, and 3 to 7 years for furniture, equipment, and vehicles.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions and grants are subject to one or more barriers that must be overcome before Today's Harbor is entitled to receive or retain funding. Conditional contributions are recognized when the conditions are met. Funding received before conditions are met is reported as a refundable advance.

Donated materials, use of facilities and services – Donated materials and use of facilities are recognized at fair value as unrestricted contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Program service contract fees arise from contracts with the Texas Department of Family and Protective Services for Today's Harbor to provide residential services for children in protective custody. Fees are recognized in the period support and services are provided in an amount that reflects the consideration Today's Harbor expects to be entitled to receive.

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the event occurs. Cost of donor benefits represent the cost of goods and services provided to attendees of the special events. Sponsorships received in advance are refundable if the events do not occur and are reported as refundable advances.

Non-operating transactions include transactions not in the ordinary course of business, such as investment return and property transactions.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and benefits are allocated based on the estimated time and effort expended by all employees. Supplies are allocated based on an estimate of usage. Rent is allocated based on employee head counts.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of June 30 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 445,552	\$ 389,386
Program service contracts receivable	6,365	41,801
Investments	<u>4,915,796</u>	<u>7,073,606</u>
Total financial assets	5,367,713	7,504,793
Less financial assets not available for general expenditure:		
Board-designated investment reserve		(7,073,606)
Distribution approved for the coming year		<u>238,985</u>
Total financial assets available for general expenditure	<u>\$ 5,367,713</u>	<u>\$ 670,172</u>

As discussed in Note 1, Today's Harbor has ceased operating programs and intends to contribute any remaining financial and non-financial assets to DePelchin Children's Center. Financial assets available for expenditure at June 30, 2022 will be used to fund liabilities and costs until transferred.

NOTE 3 – INVESTMENTS

Investments consist of the following:

	<u>2022</u>	<u>2021</u>
Common stock:		
International	\$ 744,216	\$ 1,205,702
Emerging and frontier market	564,994	876,136
Mid-cap growth	393,249	668,291
Small-cap growth	331,829	401,406
Large-cap value	291,313	587,004
Large-cap growth	236,899	861,742
Small-cap value	126,532	91,330
Mid-cap value	121,572	163,614
Other	<u>12,660</u>	
Total common stock	2,823,264	4,855,225
Fixed-income securities:		
Mutual funds	854,164	811,747
U. S. Government	444,802	565,669
Corporate bonds	<u>220,640</u>	<u>269,146</u>
Total fixed-income securities	1,519,606	1,646,562
REITs	480,750	457,048
Cash held in investment account	<u>92,176</u>	<u>114,771</u>
Total investments	<u>\$ 4,915,796</u>	<u>\$ 7,073,606</u>

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 4 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date. Level 2 investments are priced by independent, industry recognized vendors contracted by Today’s Harbor’s custodian or independent appraisals.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability. Inputs are unobservable for the asset and include situations where there is little, if any, market activity for the investment.

Assets measured at fair value at June 30, 2022 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Common stock	\$ 2,823,264			\$ 2,823,264
Mutual funds	854,164			854,164
Government and corporate debt securities		\$ 665,442		665,442
REITs	<u>480,750</u>			<u>480,750</u>
Total assets measured at fair value	<u>\$ 4,158,178</u>	<u>\$ 665,442</u>	<u>\$ 0</u>	<u>\$ 4,823,620</u>

Assets measured at fair value at June 30, 2021 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Common stock	\$ 4,855,225			\$ 4,855,225
Mutual funds	811,747			811,747
Government and corporate debt securities		\$ 834,815		834,815
REITs	<u>457,048</u>			<u>457,048</u>
Total assets measured at fair value	<u>\$ 6,124,020</u>	<u>\$ 834,815</u>	<u>\$ 0</u>	<u>\$ 6,958,835</u>

Valuation methods used for assets measured at fair value are as follows:

- *Common stock* and *real estate investment trusts (REITs)* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds* are valued at the reported net asset value.

- *Government and corporate debt securities* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves and broker quotes to calculate fair values.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Today's Harbor believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 5 – PROPERTY

Property consists of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 317,082	\$ 317,082
Building and leasehold improvements	6,215,886	6,215,886
Furniture and equipment	1,517,208	1,475,311
Vehicles	<u>535,516</u>	<u>646,249</u>
Total property, at cost	8,585,692	8,654,528
Accumulated depreciation	<u>(6,256,503)</u>	<u>(6,102,793)</u>
Property, net	<u>\$ 2,329,189</u>	<u>\$ 2,551,735</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Property improvements	\$ 64,466	\$ 89,351
Furniture and equipment	5,000	
Vehicles		30,000
Campus director		24,685
Various campus activities	<u>27,924</u>	<u>40,555</u>
Total net assets with donor restrictions	<u>\$ 97,390</u>	<u>\$ 184,591</u>

NOTE 7 – CONTRIBUTIONS

In May 2020, Today's Harbor received a forgivable loan of \$278,723 under the Small Business Administration's Paycheck Protection Program (PPP), which was recognized as a refundable advance pending Today's Harbor meeting conditions to obtain forgiveness. Today's Harbor met eligibility requirements and used the advance to fund qualified costs and was notified in July 2021 that the loan had been forgiven. Loan forgiveness was recognized as contribution revenue in fiscal year 2022.

Today's Harbor recognized the following as in-kind contributions, which were used in providing program services:

	<u>2022</u>	<u>2021</u>
Supplies	\$ 10,902	\$ 34,536
Food	<u>758</u>	<u>14,896</u>
Total in-kind contributions	<u>\$ 11,660</u>	<u>\$ 49,432</u>

NOTE 8 – GAIN FROM INSURANCE RECOVERY

In February 2021, Today's Harbor incurred damage to its facilities as a result of freezing temperatures. In July 2021, insurance proceeds of \$369,000 were received and \$323,000 was spent on repairs and replacements.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 15, 2022, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events other than the organization changes discussed in Note 1, were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
