

COMFORT HOUSE, INC.
d/b/a
ABRAHAM HOUSE
UTICA, NEW YORK
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

February 14, 2022

To the Board of Directors
Comfort House, Inc.
Utica, New York

We have reviewed the accompanying financial statements of Comfort House, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Comfort House, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2020 Financial Statements

The December 31, 2020, financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated February 18, 2021. We have not performed any auditing procedures since that date.

Fitzgerald, DePietro & Wojnas CPAs PC
FITZGERALD, DEPIETRO & WOJNAS, CPAs, P.C.

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,

	<u>ASSETS</u>		
	Reviewed 2021	Audited 2020	Reviewed 2019
Current Assets:			
Cash	\$ 176,024	\$ 351,781	\$ 207,345
Investments	751,521	359,919	298,197
Prepaid Expenses	11,530	58,406	88,670
Total Current Assets	<u>939,075</u>	<u>770,106</u>	<u>594,212</u>
Property and Equipment:			
Land	33,500	33,500	33,500
Building	311,500	311,500	311,500
Building Improvements	358,579	358,579	346,579
Office Furniture and Equipment	64,634	64,634	64,634
	<u>768,213</u>	<u>768,213</u>	<u>756,213</u>
Less: Accumulated Depreciation Property and Equipment - Net	<u>139,349</u>	<u>112,712</u>	<u>83,167</u>
	<u>628,864</u>	<u>655,501</u>	<u>673,046</u>
Other Assets:			
Restricted Cash	7,103	9,304	9,415
Investments	538,662	497,723	488,477
Total Other Assets	<u>545,765</u>	<u>507,027</u>	<u>497,892</u>
 TOTAL ASSETS	 <u>\$ 2,113,704</u>	 <u>\$ 1,932,634</u>	 <u>\$ 1,765,150</u>

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accrued Expenses	\$ 13,932	\$ 6,510	\$ 4,458
Net Assets:			
Without Donor Restrictions	1,521,559	1,418,095	1,254,523
With Donor Restrictions	578,213	508,029	506,169
Total Net Assets	<u>2,099,772</u>	<u>1,926,124</u>	<u>1,760,692</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,113,704</u>	 <u>\$ 1,932,634</u>	 <u>\$ 1,765,150</u>

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020 & 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Reviewed Total 2021</u>	<u>Audited Total 2020</u>	<u>Reviewed Total 2019</u>
<u>REVENUES:</u>					
Contributions	\$ 511,841	\$ -	\$ 511,841	\$ 439,101	\$ 230,905
Grant Revenue	32,052	226,126	258,178	222,916	141,169
Fundraising	194,619	-	194,619	176,342	424,626
Interest and Dividend Income	23,785	15,269	39,054	24,369	25,005
Gain (Loss) on Investments	84,236	23,470	107,706	52,297	68,445
Subtotal	<u>846,533</u>	<u>264,865</u>	<u>1,111,398</u>	<u>915,025</u>	<u>890,150</u>
Net Assets Released from Restriction	194,681	(194,681)	-	-	-
Total Revenues	<u>1,041,214</u>	<u>70,184</u>	<u>1,111,398</u>	<u>915,025</u>	<u>890,150</u>
<u>EXPENSES:</u>					
Program Services	745,474	-	745,474	591,579	433,262
Management and General	35,265	-	35,265	32,316	22,721
Fundraising	157,011	-	157,011	125,698	151,645
Total Expenses	<u>937,750</u>	<u>-</u>	<u>937,750</u>	<u>749,593</u>	<u>607,628</u>
NET INCREASE IN NET ASSETS	103,464	70,184	173,648	165,432	282,522
Net Assets, Beginning of Year	<u>1,418,095</u>	<u>508,029</u>	<u>1,926,124</u>	<u>1,760,692</u>	<u>1,478,170</u>
Net Assets, End of Year	<u>\$ 1,521,559</u>	<u>\$ 578,213</u>	<u>\$ 2,099,772</u>	<u>\$ 1,926,124</u>	<u>\$ 1,760,692</u>

See Accompanying Notes to the Financial Statements

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Audited Total</u>
<u>REVENUES:</u>			
Contributions	\$ 439,101	\$ -	\$ 439,101
Grant Revenue	1,711	221,205	222,916
Fundraising	176,342	-	176,342
Interest and Dividend Income	8,836	15,533	24,369
Gain (Loss) on Investments	58,694	(6,397)	52,297
Subtotal	684,684	230,341	915,025
Net Assets Released from Restriction	228,481	(228,481)	-
Total Revenues	<u>913,165</u>	<u>1,860</u>	<u>915,025</u>
<u>EXPENSES:</u>			
Program Services	591,579	-	591,579
Management and General	32,316	-	32,316
Fundraising	125,698	-	125,698
Total Expenses	<u>749,593</u>	<u>-</u>	<u>749,593</u>
NET INCREASE IN NET ASSETS	163,572	1,860	165,432
Net Assets, Beginning of Year	<u>1,254,523</u>	<u>506,169</u>	<u>1,760,692</u>
Net Assets, End of Year	<u>\$ 1,418,095</u>	<u>\$ 508,029</u>	<u>\$ 1,926,124</u>

See Accompanying Notes to the Financial Statements

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Reviewed Total</u>
<u>REVENUES:</u>			
Contributions	\$ 205,905	\$ 25,000	\$ 230,905
Grant Revenue	-	141,169	141,169
Fundraising	284,576	140,050	424,626
Interest and Dividend Income	9,009	15,996	25,005
Gain (Loss) on Investments	35,230	33,215	68,445
Subtotal	534,720	355,430	890,150
Net Assets Released from Restriction	378,867	(378,867)	-
Total Revenues	<u>913,587</u>	<u>(23,437)</u>	<u>890,150</u>
<u>EXPENSES:</u>			
Program Services	433,262	-	433,262
Management and General	22,721	-	22,721
Fundraising	151,645	-	151,645
Total Expenses	<u>607,628</u>	<u>-</u>	<u>607,628</u>
NET INCREASE (DECREASE) IN NET ASSETS	305,959	(23,437)	282,522
Net Assets, Beginning of Year	<u>948,564</u>	<u>529,606</u>	<u>1,478,170</u>
Net Assets, End of Year	<u>\$ 1,254,523</u>	<u>\$ 506,169</u>	<u>\$ 1,760,692</u>

See Accompanying Notes to the Financial Statements

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020 & 2019)

	Program Services	Management and General	Fundraising	Reviewed Total 2021	Audited Total 2020	Reviewed Total 2019
Expenses:						
Advertising	\$ 4,574	\$ -	\$ 4,573	\$ 9,147	\$ 8,739	\$ 8,296
Bank Charges	629	-	1,467	2,096	1,949	2,134
Building Maintenance	21,355	-	2,373	23,728	36,351	9,887
Communication Expense	3,218	179	178	3,575	4,505	3,503
Depreciation Expense	26,637	-	-	26,637	29,545	21,187
Fundraising Expense	-	-	91,875	91,875	61,109	100,982
House Expense	30,919	-	-	30,919	10,749	44,271
Insurance	39,481	6,967	-	46,448	58,108	44,476
Miscellaneous Expense	4,584	1,019	4,584	10,187	15,463	12,167
Office Expense	10,326	794	4,766	15,886	16,871	9,428
Payroll Tax Expense	47,958	1,054	3,689	52,701	36,561	24,740
Postage	2,318	-	580	2,898	3,080	2,109
Printing Expense	1,387	116	808	2,311	12,708	12,266
Professional Fees	14,092	6,040	-	20,132	13,170	12,051
Salaries and Wages	526,818	18,397	40,022	585,237	429,255	288,830
Utilities	11,178	699	2,096	13,973	11,430	11,301
Total Expenses	\$ 745,474	\$ 35,265	\$ 157,011	\$ 937,750	\$ 749,593	\$ 607,628

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Audited Total</u>
Expenses:				
Advertising	\$ 4,370	\$ -	\$ 4,369	\$ 8,739
Bank Charges	585	-	1,364	1,949
Building Maintenance	32,716	-	3,635	36,351
Communication Expense	4,055	225	225	4,505
Depreciation Expense	29,545	-	-	29,545
Fundraising Expense	-	-	61,109	61,109
House Expense	10,749	-	-	10,749
Insurance	49,392	8,716	-	58,108
Miscellaneous Expense	6,958	1,546	6,959	15,463
Office Expense	10,966	844	5,061	16,871
Payroll Tax Expense	33,271	731	2,559	36,561
Postage	2,464	-	616	3,080
Printing Expense	7,625	635	4,448	12,708
Professional Fees	9,219	3,951	-	13,170
Salaries and Wages	380,520	15,096	33,639	429,255
Utilities	9,144	572	1,714	11,430
Total Expenses	<u>\$ 591,579</u>	<u>\$ 32,316</u>	<u>\$ 125,698</u>	<u>\$ 749,593</u>

See Accompanying Notes to the Financial Statements

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Reviewed Total</u>
Expenses:				
Advertising	\$ 4,148	\$ -	\$ 4,148	\$ 8,296
Bank Charges	640	-	1,494	2,134
Building Maintenance	8,898	-	989	9,887
Communication Expense	3,153	175	175	3,503
Depreciation Expense	21,187	-	-	21,187
Fundraising Expense	-	-	100,982	100,982
House Expense	44,271	-	-	44,271
Insurance	37,805	6,671	-	44,476
Miscellaneous Expense	5,475	1,217	5,475	12,167
Office Expense	6,128	471	2,829	9,428
Payroll Tax Expense	22,513	495	1,732	24,740
Postage	1,687	-	422	2,109
Printing Expense	7,360	613	4,293	12,266
Professional Fees	8,436	3,615	-	12,051
Salaries and Wages	252,520	8,899	27,411	288,830
Utilities	9,041	565	1,695	11,301
Total Expenses	<u>\$ 433,262</u>	<u>\$ 22,721</u>	<u>\$ 151,645</u>	<u>\$ 607,628</u>

See Accompanying Notes to the Financial Statements

COMFORT HOUSE, INC.
d/b/a ABRAHAM HOUSE

UTICA, NEW YORK

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31

	Reviewed <u>2021</u>	Audited <u>2020</u>	Reviewed <u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Increase in Net Assets	\$ 173,648	\$ 165,432	\$ 282,522
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:			
Depreciation	26,637	29,545	21,187
Gain on Investments	(121,319)	(64,514)	(167,837)
(Increase) Decrease in:			
Accounts Receivable	-	-	46,858
Prepaid Expenses	46,876	30,264	(999)
Increase (Decrease) in:			
Accrued Expenses	7,422	2,052	(107,917)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>133,264</u>	<u>162,779</u>	<u>73,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash Payments for the Purchase of Property	-	(12,000)	(270,890)
(Purchase) Sale of Investments - Net	(313,647)	(6,454)	6,022
NET CASH USED BY INVESTING ACTIVITIES	<u>(313,647)</u>	<u>(18,454)</u>	<u>(264,868)</u>
Net Increase (Decrease) in Cash, Restricted Cash and Cash Equivalents	(180,383)	144,325	(191,054)
Cash, Restricted Cash and Cash Equivalents, Beginning of Year	<u>361,085</u>	<u>216,760</u>	<u>407,814</u>
Cash, Restricted Cash and Cash Equivalents, End of Year	<u>\$ 180,702</u>	<u>\$ 361,085</u>	<u>\$ 216,760</u>

NOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2021Note 1 – Summary of Significant Accounting Policies:(A) Organization and Nature of Activities:

Comfort House, Inc. d/b/a Abraham House (Abraham House) was established to provide alternative residential living arrangements for the terminally ill to reside during the last days of their lives in a secure, loving environment and receive professional care as well as emotional and spiritual support.

(B) Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted principals applicable to not-for-profit entities.

(C) Financial Statement Presentation:

The Organization reports information regarding its financial position and activities among two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 and mission of the Organization. These assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors, whether they are temporary in nature or to be maintained in perpetuity.

At December 31, 2021, 2020 and 2019, the Organization had net assets with donor restrictions of \$578,213, \$508,029 and \$506,169, respectively. The net assets without donor restrictions were \$1,521,559, \$1,418,095 and \$1,254,523, respectively. Of the net assets without donor restrictions, those with board designations at December 31, 2021, 2020 and 2019 were \$-0-, \$-0- and \$96,468, respectively.

(D) Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and certain disclosures as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(E) Cash:

The Organization considers all highly liquid instruments with a maturity of six months or less to be cash equivalents.

Note 1 – Summary of Significant Accounting Policies (Continued):(F) Property and Equipment:

Property and equipment is recorded at cost (or at fair value if donated). Depreciation is calculated using the straight-line method over estimated useful lives of assets as follows:

	<u>Useful Lives in Years</u>
Building and Improvements	7 to 40
Office Furniture and Equipment	3 to 10

(G) Tax Status:

The Abraham House has received notice from the I.R.S. that they are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management believes they continue to qualify for this exemption. In most circumstances these positions would be open to Internal Revenue Service audit for years ending subsequent to January 1, 2019.

(H) Contributions:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(I) Contributed Services:

The Organization generally pays for services requiring specific expertise. However, some businesses volunteer their time and perform a variety of tasks that assist the Organization with programs, fundraising events and various committee assignments. The services which can be valued have been recognized as revenue. For the year ended December 31, 2021, the value of these services was immaterial. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with programs, fundraising events and various committee assignments, but these services do not meet the criteria for recognition as contributed services.

(J) Investments:

Investments are reported at their fair values in the statement of financial position (see Note 3).

(K) Expense Allocation:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program management, general or fundraising categories based on specific identification.

Note 1 – Summary of Significant Accounting Policies (Continued):(L) Fundraising and Advertising Costs:

Costs of fundraising and advertising are expensed as incurred.

(M) Revenue Recognition:

Effective January 1, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 606) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements retrospectively to all periods presented.

The following describes the Organization's Revenue Recognition Policy for its major revenue services.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

The timing and amount of revenue recognized under the new standards is consistent with the Organization's historical practices. Accordingly, adoption of the new standards had no effect on the financial statements for any prior year presented.

Note 2 – Investments:

Investments at December 31, are summarized as follows:

<u>Available for Sale</u>	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain</u>
<u>December 31, 2021</u>			
NBT Financial Group:			
Bonds	\$ 94,990	\$ 91,633	\$ 3,357
ETFs	148,758	120,479	28,279
Equity	5,088	4,331	757
	<u>248,836</u>	<u>216,443</u>	<u>32,393</u>

COMFORT HOUSE, INC. D/B/A ABRAHAM HOUSE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

UTICA, NEW YORK
DECEMBER 31, 2021

Note 2 – Investments (Continued):

<u>Available for Sale</u>	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
<u>December 31, 2021 (Continued)</u>			
Adirondack Financial:			
Bonds	97,754	101,541	(3,787)
ETFs	<u>192,072</u>	<u>133,003</u>	<u>59,069</u>
	<u>289,826</u>	<u>234,544</u>	<u>55,282</u>
The Griffith Earl Savery Group:			
Bonds	219,050	219,658	(608)
Equity	<u>532,471</u>	<u>424,351</u>	<u>108,120</u>
	<u>751,521</u>	<u>644,009</u>	<u>107,512</u>
Total	<u>\$1,290,183</u>	<u>\$1,094,996</u>	<u>\$ 195,187</u>
Without Donor Restrictions	\$ 751,521	\$ 644,009	\$ 107,512
With Donor Restrictions	<u>538,662</u>	<u>450,987</u>	<u>87,675</u>
	<u>\$1,290,183</u>	<u>\$1,094,996</u>	<u>\$ 195,187</u>
<u>December 31, 2020</u>			
NBT Financial Group:			
Bonds	\$ 115,261	\$ 95,132	\$ 20,129
ETFs	16,475	15,527	948
Equity	<u>101,368</u>	<u>105,578</u>	<u>(4,210)</u>
	<u>233,104</u>	<u>216,237</u>	<u>16,867</u>
Adirondack Financial:			
Bonds	90,991	91,541	(550)
ETFs	<u>173,628</u>	<u>138,262</u>	<u>35,366</u>
	<u>264,619</u>	<u>229,803</u>	<u>34,816</u>
The Griffith Earl Savery Group:			
Equity	<u>359,919</u>	<u>292,874</u>	<u>67,045</u>
Total	<u>\$ 857,642</u>	<u>\$ 738,914</u>	<u>\$ 118,728</u>
Without Donor Restrictions	\$ 359,919	\$ 292,874	\$ 67,045
With Donor Restrictions	<u>497,723</u>	<u>446,040</u>	<u>51,683</u>
	<u>\$ 857,642</u>	<u>\$ 738,914</u>	<u>\$ 118,728</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)DECEMBER 31, 2021Note 2 – Investments (Continued):

<u>Available for Sale</u>	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
<u>December 31, 2019</u>			
NBT Financial Group:			
Bonds	\$ 114,317	\$ 109,054	\$ 5,263
ETFs	24,973	23,404	1,569
Equity	<u>88,920</u>	<u>85,837</u>	<u>3,083</u>
	<u>228,210</u>	<u>218,295</u>	<u>9,915</u>
Adirondack Financial:			
Bonds	92,881	94,542	(1,661)
ETFs	<u>167,386</u>	<u>130,848</u>	<u>36,538</u>
	<u>260,267</u>	<u>225,390</u>	<u>34,877</u>
The Griffith Earl Savery Group:			
Equity	<u>298,197</u>	<u>292,450</u>	<u>5,747</u>
Total	<u>\$ 786,674</u>	<u>\$ 736,135</u>	<u>\$ 50,539</u>
Without Donor Restrictions	\$ 298,197	\$ 292,450	\$ 5,747
With Donor Restrictions	<u>488,477</u>	<u>443,685</u>	<u>44,792</u>
	<u>\$ 786,674</u>	<u>\$ 736,135</u>	<u>\$ 50,539</u>

The following summarized net income on investments for the year ended December 31:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unrealized Gain	\$ 83,993	\$ 64,003	\$ 54,760
Realized Gain (Loss)	34,901	(4,394)	19,967
Interest and Dividends	39,054	24,369	25,005
Investment Fees	<u>(11,188)</u>	<u>(7,312)</u>	<u>(6,282)</u>
Net Investment Income	<u>\$ 146,760</u>	<u>\$ 76,666</u>	<u>\$ 93,450</u>
Without Donor Restrictions	\$ 92,969	\$ 53,502	\$ 28,851
With Donor Restrictions	<u>53,791</u>	<u>23,164</u>	<u>64,599</u>
	<u>\$ 146,760</u>	<u>\$ 76,666</u>	<u>\$ 93,450</u>

Unrestricted investments are reported as current assets. Restricted investments are reported as non-current assets.

Note 3 - Fair Value Measurement:

In accordance with generally accepted accounting principles, the Organization established a hierarchy that prioritizes the inputs used to measure fair value. The hierarchy consists of three broad levels as listed below:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for the identical assets.
- Level 3 inputs consist of unobservable inputs and is used only when Level 1 and Level 2 inputs are unavailable. Level 3 inputs have the lowest priority.

The Organization's investments are summarized below.

	<u>Fair Value Measurements Using:</u>
	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>
<u>December 31, 2021</u>	
Common Stocks	\$ 314,040
Mutual Funds	635,313
ETFs	<u>340,830</u>
	<u>\$1,290,183</u>
<u>December 31, 2020</u>	
Common Stocks	\$ 115,261
Mutual Funds	552,278
ETFs	<u>190,103</u>
	<u>\$ 857,642</u>
<u>December 31, 2019</u>	
Common Stocks	\$ 114,317
Mutual Funds	479,998
ETFs	<u>192,359</u>
	<u>\$ 786,674</u>

The Organization measures Fair Value using the highest level inputs available because they generally provide the most reliable evidence of Fair Value. All of the Organization's investments were valued using Level I inputs at December 31, 2021, 2020 and 2019.

Level 1 – Fair Value Measurement

The Fair Value of Mutual Funds are based on quoted net asset values of the shares held by the Mutual Fund at year-end.

Note 3 - Fair Value Measurement (Continued):

Level 1 – Fair Value Measurement (Continued)

The Fair Value of Common Stocks and Exchange Traded Funds are based on quoted prices of identical assets.

Note 4 – Net Assets With Donor Restrictions:

The Organization received an endowment bequest in 2013 of approximately \$480,000 from the Estate of Abraham L. Shaheen. Income only is to be used annually for the purposes and programs of the organization.

The Organization has interpreted state law as requiring the preservation of the value of the original gift of endowment funds, absent donor stipulations to the contrary. Income from these funds are classified as Board Designated net assets without restrictions until these amounts are appropriated for expenditure.

The change in endowment net assets for the year ended December 31, is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balance, January 1,	\$ 507,027	\$ 497,892	\$ 448,682
Investment Return:			
Interest and Dividends	15,269	15,533	15,996
Realized/Unrealized Gain	43,178	11,997	53,010
Investment Fee	(4,656)	(4,366)	(4,407)
Amounts Appropriated for Expenditure	<u>(15,052)</u>	<u>(14,029)</u>	<u>(15,388)</u>
Balance, December 31,	<u>\$ 545,766</u>	<u>\$ 507,027</u>	<u>\$ 497,893</u>

Income from the Endowment is subject to appropriation by the Board.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor requires the organization to retain as a fund of perpetual duration. Deficiencies of this nature are generally reported as net assets without restrictions. Due to the immaterial amount of the deficiency, no adjustment has been reported.

New York's Uniform Prudent Management of Institutional Funds Act (NYPMIFA) provides standards for the prudent management and investment of endowment funds, the delegation of management and investment functions to outside advisors and procedures for lifting or modifying donor-imposed restrictions on the management, expenditure or use of endowment funds.

The Organization has adopted investment and spending policies that attempt to provide a predictable stream of funding to its programs while seeking to maintain the purchasing power of endowment assets over the long-term. The current long-term objective is a weighted average total return in line with market indices and real (inflation-adjusted) growth in assets. The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

During 2021, the Organization received donor restricted grants for \$226,126. They spent \$194,681. As of 2021, the remaining balance of net assets with donor restrictions is \$32,445.

Note 5 – Concentrations:

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. At December 31, 2021, deposits in bank accounts did not exceed federally insured limits. However, deposits with brokerage companies are not federally insured. Such brokerage deposits totaled approximately \$1,299,711 at December 31, 2021.

The Organization relies on the local Hospice for case management and medical oversight of its residents. Changes in this relationship could impact operations.

Note 6 – Legal Proceedings:

In the ordinary course of business Abraham House engages legal counsel to defend it against actions whether asserted or anticipated as management judges necessary in the circumstances.

Management does not believe that any of those actions are either not covered by insurance or would materially effect the operations or financial position of the Organization.

Note 7 – Compensated Absences:

Compensated absences have not been accrued in these financial statements because they are not considered material.

Note 8 – Liquidity and Availability of Resources:

The Organization's financial assets available within one year of the combined statement of financial position date for general expenditures at December 31, are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets	\$2,113,704	\$1,932,634	\$1,765,150
Less: Property and Equipment	(628,864)	(655,501)	(673,046)
Prepaid Expenses	<u>(11,530)</u>	<u>(58,406)</u>	<u>(88,670)</u>
Financial Assets, End of Year	1,473,310	1,218,727	1,003,434
Less Those Unavailable for General Expenditures			
Within One Year Due to:			
Restricted by Donor	(578,213)	(508,029)	(561,169)
Board Designated	<u>-</u>	<u>-</u>	<u>(96,468)</u>
Financial Assets Available to Meet Cash Needs for			
General Expenditures Within One Year	<u>\$ 895,097</u>	<u>\$ 710,698</u>	<u>\$ 345,797</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due. As part of its liquidity plan, the Organization invests cash in excess of daily requirements into short-term and other investments to help manage unanticipated liquidity needs.

Note 9 - Date of Management's Review of Subsequent Event:

Subsequent events were evaluated through February 14, 2022, which is the date the financial statements were available to be issued.

In 2022, the Organization will file for refundable Employee Retention Credit (ERC). (See Note 10)

Note 10 - Government Grants:

The Organization was granted a \$109,268 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized the full amount as grant revenue for the year ended December 31, 2021 as it was fully forgiven.

The Corona Virus Aid Relief and Economic Security Act (the CARES Act) signed into law March 27, 2020 provides for an Employee Retention Credit (ERC) which is a refundable tax credit against certain employment taxes. In 2021, the credit equals 70% of qualified wages paid to employers during a quarter, limited to \$10,000 of qualified wages per employee (\$7,000 maximum credit per employer per quarter). The Organization believes it has met the eligibility requirement for the ERC.

In 2022, the Organization will file the appropriate forms requesting refunds for ERC credits totaling approximately \$155,000. No funds were received as of the date the financial statements were available to be issued.

The Organization has applied FASB ASC 958-605 model which considers the ERC as a non exchange transaction that is accounted for as a conditional contribution. The guidance under this model indicates a conditional contribution must have both one or more barriers that must be overcome before a recipient is entitled to the assets transferred or promised and a right of return to the contributor or a right of release of the promisor.

Management feels given the eligibility requirements connected to the ERC, the potential audit risk uncertainties and no receipt of funds that such barriers and right of return have not been substantially overcome, therefore no refund receivable or income is being recognized at December 31, 2021.

Note 11 - COVID-19:

There is an ongoing risk that the economic uncertainties resulting from the COVID-19 pandemic will continue and will impact the Organization's operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Note 12 - Reclassification:

Certain items in the 2020 and 2019 financial statements were reclassified at December 31, 2021 to conform with the current year presentation. These reclassifications had no effect on the net assets or change in net assets.

Rome Advisory Committee Meeting Minutes

Wednesday, November 3rd, 2021 5:30pm

In attendance: Patty King, Carol Szatko, Geoff Henderson, June Hanrahan, Gina Ciaccia, Kim Todd

Absent: Phyllis Ellis, Mary Smith, Sally Fontana, Beth Ireland

Call to Order: Geoff led the meeting and called to order at 5:39 pm

Agenda Approval: Approval of the agenda moved by Patty, seconded by Carol

Minutes Approval: Approval of the 11/3/21 meeting minutes by Patty and seconded by Carol

- **Hospice Relationship-** Communication is going well with the new Hospice management. We have a strong rapport with both the assigned RN Lauren and LPN Mallory. We (Kim and Marissa) are participating in IDG with Hospice to report out on our guests. Our input is valued, and they are responsive.
- **Staffing-** We have recently made 5 new hires. They are competent, upbeat, and are assimilating well with the team. We are using a rotating 6-week master schedule to automate and improve efficiency in the scheduling process.
- **Community Relationships and PR-** This continues to be an area of focus. Due to Covid, our fundraisers were stifled. Moving forward, forging relationships with Rome community groups, donors, family members, and businesses will be a priority. Brochure displays were distributed to targeted senior centers, doctor offices, etc. The Committee suggested we look into using church bulletins and senior center newsletters as a way to raise awareness and recruit volunteers. June mentioned distributing materials to Case Managers at Office of the Aging. Verbage and 40 brochures and Criteria/Information sheets were mailed to June 2 days after the meeting.
- **Funding/Development-** Rome financials discussed. Rome donations continue to exceed expectations and Rome is growing in sustainability. Our payroll is naturally our largest expense. The Rome Hummingbird Classic Golf Tournament is scheduled for June 13, 2022. A Rome Gala will be planned for Fall of 2023.
- **Statistics-** 317 guests have been served since AH Rome opened its doors. Statistics show that our guests are a fairly equally split of men/women. Our population continues to be predominantly white. Could this be cultural in some cases? How do we diversify in terms of guests we serve? Average length of stay continues to be around 11 days (ranging from minutes to 179 days), and the average age remains 78 (ranging from 30-100). Our occupancy rate is 71%, and around 90% of our guests are at or below the poverty level. 80% of obituaries mention that the death occurred in our home, and 72% designate Abraham House for donations.
- **COVID-related issues:** We continue to monitor temperature and exposure of our caregivers, and maintain increased cleaning and disinfecting. PPE is available and used when necessary. After 2 ½ years, we had our first guest become Covid + while with us. One of her family

members was positive, came in to visit, and spread it to her. We monitor our caregiver health, and comply with the mandated 5 days Covid sick pay.

- **Parking Lot Project:** We are having plans drawn, and working with the City of Rome towards turning the lot on the corner of Washington and Thomas into a parking lot.
- **Additional Agenda Items** - Advisory Board Member Sally Fontana resigned for personal reasons, and Phyllis Ellis is now retired. We brainstormed potential new Advisory Board Member for consideration.

Next Meeting Wednesday, November 2, 2022 at 5:30pm

Carol moved to adjourn. Patty 2nd. Meeting adjourned at 6:23pm