HOSPICE OF GREEN COUNTRY, INC.

Financial Statements

Year Ended December 31, 2021

With

Independent Auditor's Report

HOSPICE OF GREEN COUNTRY, INC.

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Morse & Co.
A Professional Limited Liability Company
Consultants & Certified Public Accountants

Independent Auditor's Report

Board of Directors
Hospice of Green Country, Inc.

Opinion

We have audited the accompanying financial statements of Hospice of Green Country, Inc. (the Organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Hospice of Green Country, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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,

5121 South Wheeling Avenue, Suite 200 | Tulsa, Oklahoma 74105-6421 | Phone: 918-749-1040 | Fax: 918-749-1050

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 Hospice of Green Country, 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 Hospice of Green Country, 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 matter, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Morse & Co., PLLC

Tulsa, Oklahoma
May 31, 2022

HOSPICE OF GREEN COUNTRY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	$	824,593
Cash and cash equivalents - restricted		427,681
Accounts receivable, net		227,003
Pledges receivable - restricted		32,500
Other assets		13,843
Investments		653,272
Beneficial interest in Irrevocable Charitable Remainder Unitrust		13,800
Beneficial interest in assets held by Tulsa Community Foundation		127,683
Property and equipment, net of accumulated depreciation		1,407,476
Total assets	$	3,727,851

LIABILITIES AND NET ASSETS

Accounts payable	$	33,590
Accrued payroll		50,300
Deferred revenue		190,996
Accrued paid time off		29,489
Total liabilities		304,375
Net assets without donor restrictions		2,821,812
Net assets with donor restrictions		601,664
Total net assets		3,423,476
Total liabilities and net assets	$	3,727,851

See independent auditor’s report and accompanying financial statements.

HOSPICE OF GREEN COUNTRY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenue			
Net patient service revenue	$ 1,772,069	$ -	$ 1,772,069
Contributions, grants, and bequests, net of fundraising expenses of $1,034	100,082	1,297,649	1,397,731
Building lease income	49,200	-	49,200
Unrealized gains on investments	39,707	1,230	40,937
Realized gain on investments, net of fees of $5,696	27,308	12,841	40,149
Other income	27,889	-	27,889
Interest income	12,262	-	12,262
Self pay live alone	11,363	-	11,363
Resale store sales	6,849	-	6,849
Net assets released from restrictions	1,448,335	(1,448,335)	-
Total revenues	3,495,064	(136,615)	3,358,449
Expenses			
Program services	1,910,090	-	1,910,090
Management and general	378,949	-	378,949
Fundraising	130,618	-	130,618
Total expenses	2,419,657	-	2,419,657
Increase (decrease) in net assets	1,075,407	(136,615)	938,792
Net assets, beginning of year	1,746,405	738,279	2,484,684
Net assets, end of year	$ 2,821,812	$ 601,664	$ 3,423,476

See independent auditor's report and accompanying financial statements.

HOSPICE OF GREEN COUNTRY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash flow from operating activities	
Change in net assets	$ 938,792
Adjustments to reconcile change in net assets to cash provided by (used for) by operating activities:	
Depreciation	24,355
Bad debt expense	15,120
Unrealized loss (gain) on investments	(40,937)
Realized loss (gain) on sale of investments, net	(40,149)
Interest income on investments	(11,510)
Changes in assets and liabilities:	
Accounts receivable	(8,987)
Pledges receivable	20,000
Prepaid expenses	(154)
Other assets	
Accounts payable	(5,623)
Accrued payroll	(3,875)
Accrued paid time off	(10,334)
Accrued liabilities	(1,318)
Deferred revenue	(295,678)
Net cash provided by (used for) operating activities	579,702
Cash flow from investing activities	
Purchase of property and equipment	(1,414,011)
Proceeds from sale of investments	115,957
Net cash provided by (used for) financing activities	(1,298,054)
Change in cash and cash equivalents	(718,352)
Cash and cash equivalents, beginning of year	1,970,626
Cash and cash equivalents, end of year	$ 1,252,274

HOSPICE OF GREEN COUNTRY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Other salaries and wages	$ 967,693	$ 49,445	$ 50,925	$ 1,068,063
Office and other general expenses	208,777	163,510	68,586	440,873
Medical supplies and drugs	236,541	-	-	236,541
Compensation of officers	48,911	146,815	-	195,726
Employee benefits	158,364	1,040	596	160,000
Other patient services	96,885	-	-	96,885
Payroll taxes	75,851	12,050	4,422	92,323
Contract labor	89,770	-	-	89,770
Depreciation	12,178	6,089	6,089	24,356
Bad debt	15,120	-	-	15,120
Total	$ 1,910,090	$ 378,949	$ 130,618	$ 2,419,657

See independent auditor’s report and accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Hospice of Green Country, Inc. (the Organization) is a nonprofit agency specializing in care for people with limited life expectancy. The Organization provides services throughout Northeastern Oklahoma.

The Organization offers additional services in order to serve the community including Courtesy Care, Stay At Home, and Pet Peace of Mind services.

Courtesy Care allows patients with no means of paying for costly end-of-life care to receive the full array of hospice services. No differentiation in care and services provided is made between those served through Courtesy Care and those with Medicare or private insurance.

Stay At Home services help meet the needs of patients who lack adequate support to remain home at the end of life. The Organization assists patients in accessing special services that support their safety and quality of life.

Pet Peace of Mind services are also provided to assist hospice patients who are unable to maintain appropriate routine health care and nutrition for their animal companions due to mounting medical expenses or caregiver disability.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

> ***Net Assets Without Donor Restrictions -*** Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.
>
> ***Net Assets With Donor Restrictions -*** Net assets subject to donor-imposed restrictions which can be fulfilled, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions in the period such restrictions are satisfied and reported in the statement of activities as net assets released from restrictions. Payments that are received in advance for future program services are not recognized as net assets with donor restrictions due to their deferred nature. The recognition of revenue will occur simultaneously with the release of the restricted purpose and is disclosed separately in Note 8.

Contributions received with donor-imposed restrictions are recorded as unrestricted if the restrictions are met within the same period. Contributions for which restrictions are not met in the same period are recognized as temporarily restricted. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization records certain financial assets and liabilities at 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. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Inputs into valuation techniques are categorized into three levels, with the highest priority given to Level 1 and the lowest priority given to Level 3, as described below.

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Generally unobservable inputs, which are developed based on the best information available and may include the Organization's own internal data.

Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization defines cash equivalents to be short term, highly-liquid investments with original maturities of three months or less. Cash and cash equivalents include donor restricted deposits that are readily available.

Investments

Investments in equity securities with readily determinable fair market values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in net assets.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable represent patient service revenue billed to clients that was uncollected at December 31, 2021. Accounts receivable are short-term, non-interest bearing, uncollateralized reimbursements from Medicare and are reported at billed amounts less an allowance for doubtful accounts. Accounts outstanding longer than the contractual terms are considered past due. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of the accounts receivable. The Organization reviews the adequacy of the allowance for uncollectible accounts receivable on a regular basis. Management determined at December 31, 2021 an allowance of $17,233 was necessary.

Pledges Receivable

The Organization has elected the fair value option for valuing pledges receivable. The fair value option was chosen to measure pledges in order to mitigate volatility in reported changes in net assets. Pledges are recorded at their estimated fair value when received and revalued annually. Management believes that pledges receivable at December 31, 2021 are collectible and that an allowance for doubtful accounts is not necessary.

Property and Equipment

Property and equipment are shown in the balance sheet at cost or at estimated fair market value if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Lives range from three to twenty years. Depreciation expense is then allocated to the respective programs based on usage.

Additions and improvements that extend the useful lives of assets are capitalized. Expenditures for repairs and maintenance are expensed as incurred. The Organization follows the practice of capitalizing all expenditures for equipment in excess of $1,500 with an estimated useful life of over one year.

The Organization records impairment to property and equipment when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by the Organization, based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were recorded during the year ended December 31, 2021.

Revenue Recognition

The FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, which clarifies when a transaction should be accounted for as a contribution or exchange transaction. The Organization adopted ASU 2018-08 under the modified prospective approach. The adoption of ASU 2018-08 did not materially impact the financial statements.

Contributions are recorded when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as net assets with donor restrictions depending on the nature of the restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

(Continued)

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Organization recognizes contributions after analyzing each agreement and performing the following procedures:

1) Determine whether the transaction is an exchange or contribution.
2) Identify any donor-imposed conditions or restrictions regarding its use.
3) Distinguish between barriers and donor-imposed restrictions.
4) Conclude that all conditions are resolved prior to recognizing the contribution as revenue.

Prior to the adoption of Topic 606, the Organization's revenue recognition policy was in accordance with ASC Topic 605, Revenue Recognition. The Organization adopted Topic 606 using the modified retrospective transition method. The adoption of Topic 606 did not have a material impact on the Organization's financial statements. The Organization considers hospice services and sales at the resale store to be contracts with customers.

Revenue is recognized from hospice care services at the time the services are performed. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for services performed. The Organization estimates different forms of variable consideration at the time of sale based on historical experience, current conditions and contractual obligations. Revenue is recorded net of any discounts. This adjustment is made in the same period as the underlying transactions.

Factors that could impact the nature, amount, timing, and uncertainty of revenue and cash flows are as follows: (1) overall economic conditions; (2) demand for the Organization's services; (3) the timing of services and related payments outside of the Organization's control.

The Organization recognizes revenue upon the transfer of promised benefit to its customers in an amount that reflects the consideration to which the Organization expects to be entitled by applying the following five-step process specified in ASC 606:

1) Identify the contract(s) with a customer
2) Identify the performance obligations
3) Determine the transaction price
4) Allocate the transaction price
5) Recognize revenue when the performance obligations are met

The Organization operated a resale store, Sophisticated Seconds, located in Tulsa, Oklahoma. The items held for sale were provided by donor contributions. The resale operations were considered incidental to the service programs performed by the Organization. Therefore, the initial contribution of the items held for sale were not recognized as in-kind revenue. As the items were sold, the Organization recognized sales net of any customer discounts. Based on Organizational operations and nature of products sold, returns of products sold have historically been insignificant to the financial statements as a whole. It has not been considered necessary to establish a liability for the estimate of expected return. When returns have occurred, these adjustments were made in the same period. Operations of the resale store were ceased on September 3, 2021.

(Continued)

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Organization has a policy of providing charity care ("Courtesy Care Program") to patients who are unable to pay. Such patients are identified based on financial information obtained from the patient and subsequent analysis. Since the Organization does not expect payment, estimated charges for charity care are not included in revenue. Total estimated expenses for charity care were $282,176 in 2021.

Sales and other tax amounts collected from customers for remittance to governmental authorities are included in revenue. The Organization has elected to include shipping and handling of product with sales, when applicable. The practical expedient not to disclose information about remaining performance obligations has also been elected as these contracts have an original duration of one year or less. The Organization does not have any payment terms that exceed one year from the point it has satisfied the related performance obligations.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was $16,395 for the year ended December 31, 2021.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other various expenses which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within limitations prescribed by the Code. The Organization has been classified as a publicly-supported organization which is not a private foundation under Section 501(a) of the code.

The Organization will recognize future interest and penalties related to unrecognized tax benefits in income tax expense, if incurred. The Organization is no longer subject to examinations by taxing authorities for years before 2018.

Subsequent Events

The Organization has evaluated subsequent events through May 31, 2022, the date the financial statements were available to be issued.

(Continued)

NOTE 2 - FAIR VALUE MEASUREMENTS

Assets measured at fair value on a recurring basis at December 31, 2021 are as follows:

Investments	$ 653,272
Beneficial interest in assets held by Tulsa Community Foundation	127,683
Pledges receivable	32,500
Beneficial interest in Irrevocable Charitable Remainder Unitrust	13,800
Total	$ 827,255

The fair value of these assets were determined as follows:

	Quoted Prices in Active Markets of Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	$ 653,272	$ -	$ -
Beneficial interest in assets held by Tulsa Community Foundation	-	127,683	-
Pledges receivable	-	-	32,500
Beneficial interest in Irrevocable Charitable Remainder Unitrust	-	13,800	-
Total assets measured at fair value	$ 653,272	$ 141,483	$ 32,500

(Continued)

NOTE 3 – INVESTMENTS

Investments are presented in the financial statements at fair market value and are summarized as follows:

	Market Value	Cost
Equity investments	$ 480,340	$ 411,807
Fixed income investments	172,932	209,361
Total	$ 653,272	$ 621,168

Investment income and gains and losses on investments consist of the following for the year ended December 31, 2021:

Realized gain on investments	$ 45,845
Unrealized gain on investments	40,937
Interest income	11,511
Investment fees	(5,696)
Total	$ 92,597

NOTE 4 - BENEFICIAL INTEREST IN IRREVOCABLE CHARITABLE REMAINDER UNITRUST

The Organization has been named a 28.33% beneficiary of an Irrevocable Charitable Remainder Unitrust, which provides for a distribution of 28.33% of the Unitrust corpus to the Organization upon the death of the net income beneficiary. The Organization has recorded the estimated discounted value of this final distribution of Unitrust corpus using a present value factor with an estimated date of collection in 2038.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION

The Organization has established a trust fund with Tulsa Community Foundation. The trust was established for the benefit of the Organization. However, if the Organization ceases to exist as a qualified charitable organization, the Foundation will continue to hold the funds and make distributions to other similar organizations.

(Continued)

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY TULSA COMMUNITY FOUNDATION (CONTINUED)

Distributions from the fund are made in accordance with a spending policy adopted by the Foundation's board. The spending policy allows for a steady and predictable level of distribution while maintaining amounts invested. In unusual circumstances of need or opportunity, the Organization may request a distribution of all or a portion of the Fund upon two-thirds vote of the Board of Directors. The Foundation may grant the request if it concludes the distribution is neither unreasonable nor inconsistent with the charitable purposes of the Foundation and the Organization; however, the Foundation had the ultimate unilateral authority and control of all property in the Fund. The trust investments have been recognized as a beneficial interest in the Foundation's net assets on the Organization's statement of financial position.

The Organization has additional investments with the Tulsa Community Foundation of $8,473 at December 31, 2021, respectively, which includes contributions made by others for the benefit of Hospice of Green Country, Inc. The Organization has the power to modify the donor’s stipulations under certain conditions as the Organization monitors the changing needs of the community. As such, this amount is not included as an asset, but distributions are recorded when received.

NOTE 6 - PROPERTY AND EQUIPMENT

At December 31, 2021 property and equipment were as follows:

Building and improvements	$ 1,009,011
Land	405,000
Computer equipment	280,085
Office furniture and fixtures	23,061
	1,717,157
Accumulated depreciation	(309,681)
Property and equipment, net	$ 1,407,476

Depreciation expense for the year ended December 31, 2021 was $24,355.

NOTE 7 – PLEDGES RECEIVABLE

The balance in pledges receivable as of December 31, 2021 was $32,500. The Organization believes the outstanding balance in pledges receivable will be collected within the next year.

Included in pledges receivable are the following:

Pledges receivable restricted to Courtesy Care	$ 32,500

(Continued)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021 net assets with donor restrictions are available for the following purposes:

Courtesy Care	$ 277,741
Beneficial interest in Tulsa Community Foundation	127,683
Building Remodel	100,000
Stay at Home program	47,283
Pet Peace of Mind	35,157
Beneficial interest in Irrevocable Charitable Remainder Unitrust	13,800
Total	$ 601,664

The following net assets were released from donor restriction by incurring expenses satisfying the restrictions or by the occurrence of events specified by the donors:

Building Campaign	$ 900,055
Courtesy Care	430,264
Stay at Home Program	44,976
Education Program	38,642
Pet Peace of Mind	27,414
Beneficial interest in Tulsa Community Foundation	5,733
Technology Grant	1,251
Total	$ 1,448,335

NOTE 9 – LEASES

The Organization leases various equipment and facilities under operating leases expiring at various dates through June 2023. Rent expense totaled $129,820 for the year ended December 31, 2021.

Minimum future lease payments for the operating leases are as follows:

Year Ending December 31	Amount
2022	$ 77,405
2023	39,078
Total	$ 116,483

(Continued)

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

The Organization's financial instruments exposed to concentrations of credit risk consists primary of cash and cash equivalents. The Organization maintains its cash balances at local banks. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000 at December 31, 2021. At times, the Organization's balances may exceed the insured limit. Management believes the risk related to these deposits is minimal.

The Organization maintains its investment balances at a financial institution. The balances are insured by the Securities Investors Protection Corporation (SIPC) up to $500,000 coverage for cash and securities held by a firm that is forced into bankruptcy. Management believes the funds are not exposed to any significant risks due to the diversity of high-grade financial instruments held by the fund and management's routine assessment of the portfolio.

Revenues from the Medicare program accounted for 99% and 94% of the Organization's net patient service revenue and accounts receivable, respectively, at December 31, 2021. Laws and regulations governing the Medicare program are complex and subject to interpretation.

NOTE 11 - SUPPLEMENTAL CASH FLOW INFORMATION

The Organization has adopted *FASB ASU 2016-18, Restricted Cash,* which requires the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and restricted cash or cash equivalents.

Cash and cash equivalents	$ 824,593
Restricted cash	427,681
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 1,252,274

NOTE 12 - LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	$ 824,593
Investments	653,272
Accounts receivable, net	227,003
	$ 1,704,868

(Continued)

NOTE 12 - LIQUIDITY AND AVAILABILITY (CONTINUED)

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization relies primarily on reimbursements from Medicare or commercial insurances, via direct deposit or by check, to fund hospice care. The other source of funding is related to donations from individuals or business organizations. The Organization also maintains an investment account with one entity, which the account is primarily intended to manage.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates within a balanced budget and anticipates collecting sufficient revenues to cover general expenditures.

NOTE 13 - CONTRACT BALANCES

In accordance with ASC 606, balances from contracts with customers are presented below.

	2021	2020
Accounts receivable, net	$ 227,003	$ 233,136
Deferred revenue	$ (190,996)	$ (486,674)

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Account Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which provides more transparency and comparability among organizations by recognizing leased assets and leased liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021 with early adoption permitted.

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which improves generally accepted accounting principles by increasing the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 is effective for annual periods beginning after June 15, 2021 with early adoption permitted.

The Organization will be evaluating the impact these standards will have on its financial statements and related disclosures.

(Continued)

NOTE 15 – MEDICARE DEFERRED INCOME

During 2020 The U.S. Department of Health and Human Services (HHS), through the Health Resources and Services Administration (HRSA) distributed Provider Relief Funds (PRF). The Organization was the recipient of total funding of $486,674. The funds were received in full. Future Medicare billings will be reduced to offset the funding. During the year ended 2021, the Organization recognized approximately $295,678. As of December 31, 2021, the Organization has a remaining balance of $190,996.