

DELHAVEN COMMUNITY CENTER

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020





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## Independent Auditors' Report

To the Board of Directors  
of Delhaven Community Center

### **Opinion**

We have audited the accompanying financial statements of Delhaven Community Center, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financials statements referred to above present fairly, in all material respects, the financial position of Delhaven Community Center as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 Delhaven Community Center 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.

### **Responsibility or Management 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.

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 Delhaven Community Center's ability to continue as a going concern within 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 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, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and access 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 amount 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 Delhaven Community Center'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delhaven Community Center'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, that planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



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### **Other Matter**

The accompanying summarized comparative information for the statement of financial position of Delhaven Community Center as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended were not audited, reviewed, or compiled by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

*Rogers, Clem & Company*  
ROGERS, CLEM & COMPANY

September 12, 2023  
Covina, California

DELHAVEN COMMUNITY CENTER  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019 - UNAUDITED)

	<u>December 31, 2020</u>	<u>(UNAUDITED)</u> <u>December 31, 2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 477,973	\$ 57,021
Accounts receivable	216,727	98,232
Prepaid expenses	2,613	784
Investments (Note 2)	108,020	79,962
Property and equipment (Note 3)	423,587	370,396
Deposits	<u>2,300</u>	<u>2,300</u>
<b>Total Assets</b>	<u>\$ 1,231,220</u>	<u>\$ 608,695</u>
<b>Liabilities</b>		
Accounts payable	\$ 6,238	\$ 3,083
Accrued expenses	19,392	17,034
Notes payable (Note 4)	29,334	35,044
PPP Loan payable (Note 5)	<u>177,000</u>	<u>-</u>
<b>Total Liabilities</b>	231,964	55,161
<b>Net Assets</b>		
Without donor restrictions (Note 6)	<u>999,256</u>	<u>553,534</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,231,220</u>	<u>\$ 608,695</u>

See Independent Auditors' Report and the accompanying notes  
which are an integral part of these financial statements

DELHAVEN COMMUNITY CENTER  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019 - UNAUDITED)

	<u>December 31, 2020</u>	<u>(UNAUDITED)</u> <u>December 31, 2019</u>
	<u>Without Donor</u> <u>Restrictions</u>	<u>Without Donor</u> <u>Restrictions</u>
<b>SUPPORT AND REVENUES</b>		
Program service revenue	\$ 2,069,262	\$ 1,273,279
Grants	68,000	25,522
Dues and assessments from members	8,907	11,705
Other revenue	<u>35,667</u>	<u>49,773</u>
Total Support and Revenues	<u>2,181,836</u>	<u>1,360,279</u>
<b>EXPENSES</b>		
Program services:		
Community center	824,276	401,849
Day care facility	165,373	263,511
Transportation	131,157	102,381
Adult development center	<u>308,559</u>	<u>277,464</u>
Total program service expenses	1,429,365	1,045,205
Supporting services:		
Management and general	<u>320,513</u>	<u>301,228</u>
Total Expenses	<u>1,749,878</u>	<u>1,346,433</u>
Other non-operating:		
Gain on disposal of asset	-	1,650
Investment income, net of expenses	<u>13,764</u>	<u>12,862</u>
Total non-operating	<u>13,764</u>	<u>14,512</u>
Change in Net Assets	445,722	28,358
Net Assets Beginning of Year	<u>553,534</u>	<u>525,176</u>
Net Assets End of Year	<u>\$ 999,256</u>	<u>\$ 553,534</u>

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DELHAVEN COMMUNITY CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019 - UNAUDITED)

	<u>Program Services</u>						(UNAUDITED)	
	Community Center	Day Care Facility	Transportation	Adult Development Center	Total Program Services	Management & General	Year Ended December 31, 2020	Year Ended December 31, 2019
		Total Expenses						Total Expenses
Salaries	\$ 513,033	\$ 95,436	\$ 68,860	\$ 207,313	\$ 884,642	\$ 210,086	\$ 1,094,728	\$ 812,436
Occupancy:								
Utilities & telephone	30,599	6,228	1,469	9,588	47,884	10,081	57,965	53,653
Maintenance & repairs	21,238	7,062	620	10,527	39,447	8,837	48,284	23,218
Insurance	6,138	19,113	24,993	23,304	73,548	8,318	81,866	82,727
Bank fees	-	-	-	-	-	86	86	499
Depreciation and amortization	3,483	14,102	3,469	14,102	35,156	-	35,156	21,262
Dues and subscriptions	-	-	-	-	-	1,890	1,890	1,372
Emergency welfare	13,452	-	-	-	13,452	-	13,452	15,700
Employee benefits	16,025	7,217	3,127	9,447	35,816	30,625	66,441	48,155
Interest	-	143	429	143	715	-	715	711
Maintenance and repairs	3,805	2,078	10,894	3,668	20,445	-	20,445	10,812
Office expense	4,610	1,052	-	1,196	6,858	1,242	8,100	8,772
Payroll service fees	3,780	1,933	516	2,849	9,078	2,173	11,251	11,168
Payroll taxes	38,846	3,526	3,047	10,722	56,141	16,072	72,213	63,996
Professional development	17,614	258	-	2,284	20,156	4,243	24,399	9,356
Professional fees	1,437	-	-	-	1,437	160	1,597	-
Program expense	82,969	944	494	3,680	88,087	-	88,087	58,668
Rent	45,100	-	-	-	45,100	-	45,100	29,900
Residential care	8,037	-	-	-	8,037	-	8,037	6,918
Tax and license	2,823	1,329	2,646	2,809	9,607	-	9,607	5,237
Vehicle expense	11,287	4,952	10,593	6,927	33,759	26,700	60,459	81,873
Total expenses per statement of activities	<u>\$ 824,276</u>	<u>\$ 165,373</u>	<u>\$ 131,157</u>	<u>\$ 308,559</u>	<u>\$ 1,429,365</u>	<u>\$ 320,513</u>	<u>\$ 1,749,878</u>	<u>\$ 1,346,433</u>

See Independent Auditors' Report and the accompanying notes  
which are an integral part of these financial statements

DELHAVEN COMMUNITY CENTER  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019 - UNAUDITED)

	<u>December 31, 2020</u>	<u>(UNAUDITED)</u> <u>December 31, 2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 445,722	\$ 28,358
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,156	21,262
Net realized and unrealized (gains) losses on investments	(13,023)	(11,430)
Gain on disposal of asset	-	(1,650)
(Increase)/decrease in accounts receivable	(118,495)	(15,288)
(Increase)/decrease in prepaid expenses	(1,829)	(784)
Increase/(decrease) in accounts payable	3,155	2,128
Increase/(decrease) in payroll tax payable	-	(1,722)
Increase/(decrease) in accrued expenses	<u>2,358</u>	<u>17,034</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>353,044</u>	<u>37,908</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of assets	-	1,650
Purchase of assets	(88,347)	-
Proceeds from sale of investments	17,133	6,266
Purchase of investments	<u>(32,168)</u>	<u>(8,236)</u>
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<u>(103,382)</u>	<u>(320)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PPP loan proceeds	177,000	-
Payments on loans payable	<u>(5,710)</u>	<u>(18,557)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>171,290</u>	<u>(18,557)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	420,952	19,031
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>57,021</u>	<u>37,990</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 477,973</u>	<u>\$ 57,021</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	<u>\$ 715</u>	<u>\$ 711</u>
Taxes	<u>\$ 10</u>	<u>\$ 10</u>

See Independent Auditors' Report and the accompanying notes  
which are an integral part of these financial statements



DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF ACTIVITIES

Delhaven Community Center (the "Organization") is a California nonprofit corporation, founded in 1975, focusing on the needs of developmentally disabled people and emotionally disturbed youngsters. The Organization provides the following programs:

**COMMUNITY CENTER** – Provides affordable opportunities which address the needs of the community, providing a nurturing environment which will help strengthen the family unit, provide opportunities for volunteer leadership, provide opportunities for individuals to challenge themselves to live their lives in the best possible fashion based upon strong moral principles, and to provide activities in which individuals of all ages, color, and creed may experience acceptance, respect, love and personal growth in a caring environment.

During 2020 Delhaven expanded from 3-school based and 1 center-based after school programs and began offering comprehensive programming across 13 campuses for the Hacienda La Puente Unified School District. Focused on holistic development, it combines academic support with diverse extracurricular activities. Students benefit from homework assistance, specialized clubs and skill-building that reinforces classroom learning. The program fosters social growth through arts, sports, and team-building endeavors, promoting creativity and collaboration. Delhaven prioritizes safety, maintaining a secure and nurturing environment that encourages exploration and self-expression. By catering to both educational and personal growth, it ensures a well-rounded and enriching after-school experience for all participants.

**DAY CARE FACILITY** – Provides developmentally disabled people with the recreational facilities and workshops to teach work, social, reading and mobilization skills. Delhaven provides low income youth with structured supervised recreational activities. For 10 weeks in the summer, camps are held for developmentally disabled and low income youth. A program for emotionally disturbed youngsters is held weekly. Senior citizen trips are held twice monthly.

**TRANSPORTATION** – Provides transportation for adults with disabilities to and from their day program. The program also provided transportation to and from our afterschool program for elementary school children. After school transportation was discontinued during pandemic in March 2020 and has not resumed.

**ADULT DAY PROGRAMS** – Provides day workshop facility licensed for 70 adults 18 and older with developmental disabilities – mid to higher level. Adult day leaning facility licensed for 40 adults 18 and older with developmental disabilities – lower level, offers self-help, independent, cognitive, and social skills training with community integration.

The Organization's support and revenues come primarily from service contracts with public entities who receive Federal and State grants for the benefit of the developmentally disabled.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF PRESENTATION

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions or law.
- *Net assets with donor restrictions* are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. For the years ended December 31, 2020 and 2019, there were no donor restricted funds.

CHANGE IN ACCOUNTING PRINCIPLE

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 outlines a single comprehensive standard for revenue recognition across all industries and supersedes most existing revenue recognition guidance. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted this standard for its fiscal year ending 2020. The adoption of this standard did not materially impact the Organization's financial position.

COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's (unaudited) financial statements for the year ended December 31, 2019, from which the summarized information was derived.

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FAIR VALUE MEASUREMENTS

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

For purposes of financial reporting, the Organization has determined the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at December 31, 2020, and 2019, based on their short maturities and/or the terms available to the Organization in financial markets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in checking and money market accounts, time deposits, certificates of deposit and all highly liquid investments with original maturities of three months or less. Cash and highly liquid financial instruments which are either held for or restricted to long-term purposes are excluded from this definition.

ACCOUNTS RECEIVABLE

Receivables are stated at the amount the Organization expects to collect from outstanding balances. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of December 31, 2020.

INVESTMENTS

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position.

Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at fair value on the date of donation. The Organization provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Buildings and Improvements	10 to 45 years
Furniture and Equipment	5 to 10 years
Equipment under capital lease	6 years
Vehicles	5 years

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Repair and maintenance costs are charged to operating expense as incurred. There were no impairment charges in fiscal year 2020 (if otherwise disclosed).

CONCENTRATIONS OF CREDIT AND MARKET RISK

Exposure to credit and market risks is related primarily to bank balances, cash equivalents and securities held at an investment firm (if applicable).

Cash and cash equivalents are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 the Organization's uninsured balances at these institutions total \$203,790. The Organization has not experienced any losses on its cash or cash equivalents. The Organization's investments do not represent significant concentrations of market risk inasmuch as the Organization's investment portfolio is adequately diversified among issuers.

For the year ended December 31, 2020 the Organization had program revenue from two sources that totaled 94% of program revenues.

REVENUE AND REVENUE RECOGNITION

PROGRAM SERVICE

Program service fees are recognized as revenue when the related performance obligations are satisfied. Performance obligations represent the specified services provided to customers under such contracts and generally consist of a single performance obligation which is satisfied when the service is provided or the event has occurred.

DONATED SERVICES

A significant portion of the Organization's program service, fundraising and administrative functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. For the years ended December 31, 2020 and 2019 respectively, the estimated hours and value of such services by function were:

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REVENUE AND REVENUE RECOGNITION: (Continued)

	12/31/2020 (Estimated) Number of Hours	Value	12/31/2019 (Estimated) Number of Hours	Value
General & Administration	<u>200</u>	\$ <u>3,450</u>	<u>600</u>	\$ <u>10,350</u>

This value was computed using an estimated hourly rate of \$15 and \$15 for 2020 and 2019, respectively, based upon the average hourly earnings for the two comparative years.

TAX STATUS

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is also exempt from state income taxes under Section 23701(d) of the California Revenue and Taxation Code.

The Organization has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of December 31, 2020, the Organization had no substantial uncertain income tax provisions.

As of December 31, 2020 the years 2018 through 2020 were subject to examination by the Internal Revenue Service and the years 2017 through 2020 by the California Franchise Tax Board.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statement 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.

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

2. INVESTMENTS:

Investments are measured at fair value as follows:

	<u>Level</u> <u>1</u>	<u>Level</u> <u>2</u>	<u>Level</u> <u>3</u>	<u>Total</u>
December 31, 2020				
Equity Funds	\$ 74,926	-	-	\$ 74,926
Fixed Income & Preferred	<u>33,094</u>	-	-	<u>33,094</u>
Total Investments	<u>\$ 108,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,020</u>
December 31, 2019				
Equity Funds	\$ 53,054	-	-	\$ 53,054
Fixed Income & Preferred	<u>26,908</u>	-	-	<u>26,908</u>
Total Investments	<u>\$ 79,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,962</u>

All investments consist of contributions received without restriction.

3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Autos and trucks	\$ 370,500	\$ 282,152
Equipment	59,547	59,547
Buildings	698,451	698,451
Leasehold Improvements	12,252	12,252
Land	<u>213,625</u>	<u>213,625</u>
	1,354,375	1,266,027
Less accumulated depreciation	<u>(930,788)</u>	<u>(895,631)</u>
Total property and equipment, net	<u>\$ 423,587</u>	<u>\$ 370,396</u>

Included in the statement of activities are provisions for depreciation and amortization in the amount of \$ 35,156 and \$21,262 for the years ended December 31, 2020 and 2019, respectively.

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

4. NOTES PAYABLE:

Notes payable due in monthly payments of \$1,338.45 including interest at 0% to 5.89%, secured by vehicles costing \$119,516. Due June 2025.

\$ 29,334      \$ 35,044

Future minimum payments are as follows:

For the year ending December 31	<u>2020</u>
2021	\$ 10,112
2022	6,533
2023	6,670
2024	4,685
2025	<u>1,334</u>
	<u>\$ 29,334</u>

5. PAYCHECK PROTECTION PROGRAM:

On April 28, 2020, the Organization received loan proceeds of \$177,000 from a promissory note issued under the Paycheck Protection Program which was established under the CARES Act and is administered by the U. S. Small Business Administration. The loan was forgiven in full on August 4, 2021 as authorized by Section 1106 of the CARES Act.

6. NET ASSETS:

At December 31, net assets were restricted by donors or designated by the Organization as follows:

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Designated reserve for one year's operating expenses	\$ -	\$ -
Designated reserve for facilities upgrade	-	-
Undesignated	<u>999,256</u>	<u>553,534</u>
Total net assets	<u>\$ 999,256</u>	<u>\$ 553,534</u>

7. RELATED PARTY TRANSACTIONS:

The Organization contracted TBS Cleaning Service, LLC which is owned by the Executive Director of the Organization. TBS Cleaning Services is contracted to maintain Delhaven Community Center's overall environment. With a focus on both interior and exterior spaces, they provide comprehensive cleaning solutions. Their dedicated team ensures the cleanliness of program areas through daily disinfection and sanitization practices. By providing these services, TBS contributes to a safe and inviting atmosphere, allowing Delhaven Community Center to thrive as a hub for various activities and programs. Payments to TBS Cleaning Service, LLC totaled \$14,504 for the year ended December 31, 2020.

DELHAVEN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

8. LIQUID RESOURCE MANAGEMENT:

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of December 31, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 477,973
Accounts and interest receivable	216,727
Contributions for general expenditures due in one year or less	-
Financial assets available for general expenditures over next 12-months	<u>\$ 694,700</u>

To build upon its past achievements and ensure future sustainability, the Organization has a long-standing policy that requires the governing board to maintain net assets without restrictions sufficient for one year's operating expenses. Assets held for the Organization's board designated building reserve have been excluded from the total above, although those assets could be undesignated by the governing board to meet cash needs if necessary. However, assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of December 31, 2020.

In addition to the financial assets available to meet general expenditures over the next 12-months noted above, the Organization has other current assets and deferred revenue that will likely be converted to cash or available for general expenditures during the normal course of next year's operations. Such current assets include the Organization's program and thrift shop inventories and prepaid expenses.

9. FUNCTIONALIZED EXPENSES:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

10. SUBSEQUENT EVENTS:

Delhaven Community Center has evaluated events subsequent to December 31, 2020, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through September 12, 2023, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.