

Hickory Log Personal Care Home, Inc.

Financial Statements

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
Hickory Log Personal Care Home, Inc.

Opinion

We have audited the accompanying financial statements of Hickory Log Personal Care Home, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 of Hickory Log Personal Care Home, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Hickory Log Personal Care Home, 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, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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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 Hickory Log Personal Care Home, 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 Hickory Log Personal Care Home, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

RL Jennings & Associates, PC

RL Jennings & Associates, PC

Rome, Georgia
November 3, 2022

HICKORY LOG PERSONAL CARE HOME, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 217,814	\$ 215,918
Accounts receivable - net	125,855	199,254
Prepaid expense	1,891	5,172
Other assets	6,758	-
TOTAL CURRENT ASSETS	<u>352,318</u>	<u>420,344</u>
PROPERTY AND EQUIPMENT		
Equipment	134,113	127,153
Vehicles	54,125	81,989
Leasehold improvements	310,491	294,146
	<u>498,729</u>	<u>503,288</u>
Less: accumulated depreciation	(418,903)	(440,832)
	<u>79,826</u>	<u>62,456</u>
	<u>\$ 432,144</u>	<u>\$ 482,800</u>
CURRENT LIABILITIES		
Accounts payable	\$ 7,759	\$ 5,607
Accrued payroll	4,169	6,817
Payroll liabilities	4,972	9,502
Other accrued expenses	3,882	3,882
Current portion of long term debt	605	2,095
TOTAL CURRENT LIABILITIES	<u>21,387</u>	<u>27,903</u>
LONG TERM DEBT	147,300	147,905
NET ASSETS		
Without donor restrictions	234,211	280,185
With donor restrictions	29,246	26,807
TOTAL NET ASSETS	<u>263,457</u>	<u>306,992</u>
	<u>\$ 432,144</u>	<u>\$ 482,800</u>

See independent auditor's report and notes to the financial statements.

HICKORY LOG PERSONAL CARE HOME, INC.
 STATEMENTS OF ACTIVITIES
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT		
Resident payments	\$ 211,625	\$ 286,294
Federal and state grants	-	55,127
Contributions	134,855	123,856
United Way	31,771	40,703
Fundraising	79,956	57,026
Inkind donations	117,395	93,485
Other income	732	172
TOTAL SUPPORT AND REVENUE	576,334	656,663
WITHOUT DONOR RESTRICTIONS		
Net assets released from restrictions:		
Satisfaction of purpose restrictions	<u>26,686</u>	<u>36,251</u>
TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS		
WITHOUT DONOR RESTRICTIONS	603,020	692,914
EXPENSES		
Program services	499,839	437,244
Management and general	106,315	107,600
Fundraising	42,840	33,318
TOTAL EXPENSES	648,994	578,162
INCREASE (DECREASE) IN		
NET ASSETS WITHOUT DONOR RESTRICTIONS	(45,974)	114,752
NET ASSETS WITH DONOR RESTRICTIONS		
Net assets released from restrictions	(26,686)	(36,251)
Net assets restricted by donor	<u>29,125</u>	<u>36,146</u>
INCREASE (DECREASE) IN		
NET ASSETS WITH DONOR RESTRICTIONS	2,439	(105)
CHANGE IN NET ASSETS	(43,535)	114,647
BEGINNING NET ASSETS,		
AS PREVIOUSLY REPORTED	306,992	60,876
Prior period adjustment	<u>-</u>	<u>131,469</u>
BEGINNING NET ASSETS, AFTER ADJUSTMENT	306,992	192,345
ENDING NET ASSETS	\$ 263,457	\$ 306,992

See independent auditor's report and notes to the financial statements.

HICKORY LOG PERSONAL CARE HOME, INC.
 STATEMENTS OF CASH FLOWS
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (43,535)	\$ 114,647
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,894	9,753
(Gain) loss on disposal of property	3,230	(370)
(Increase) decrease in accounts receivable	73,399	(199,254)
(Increase) decrease in prepaid expenses	3,281	(2,396)
(Increase) decrease in other assets	(6,758)	-
Increase (decrease) in accounts payable	2,152	(190)
Increase (decrease) in accrued liabilities	(7,178)	13,885
Payroll Protection Program loan forgiveness	-	(45,127)
Prior period adjustment	-	131,469
Inkind donation of property and equipment	<u>(14,845)</u>	<u>(4,074)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>25,640</u>	<u>18,343</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for the purchase of property	<u>(21,649)</u>	<u>(57,342)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(21,649)</u>	<u>(57,342)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Payroll Protection Program loan	-	45,127
Proceeds from issuance of long-term debt	-	150,000
Principal payments on long-term debt	<u>(2,095)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(2,095)</u>	<u>195,127</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	1,896	156,128
CASH AND EQUIVALENTS, BEGINNING	<u>215,918</u>	<u>59,790</u>
CASH AND EQUIVALENTS, ENDING	<u>\$ 217,814</u>	<u>\$ 215,918</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for:		
Interest expense	<u>\$ 2,392</u>	<u>\$ 3,882</u>
Inkind donation of operating resources	<u>\$ 117,395</u>	<u>\$ 93,485</u>

See independent auditor's report and notes to the financial statements.

HICKORY LOG PERSONAL CARE HOME, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management and general</u>	<u>Fund- Raising</u>	<u>Total</u>
Compensation and related expenses:				
Wages	\$ 277,820	\$ 35,923	\$ 16,513	\$ 330,256
Payroll taxes and employee benefits	28,157	7,509	1,877	37,543
TOTAL COMPENSATION	<u>305,977</u>	<u>43,432</u>	<u>18,390</u>	<u>367,799</u>
Advertising	3,813	-	201	4,014
Automobile expense	6,435	1,238	310	7,983
Computer and software	292	-	-	292
Contract labor	30	-	-	30
Depreciation	7,947	7,947	-	15,894
Dues and subscriptions	-	4,157	-	4,157
(Gain) loss on disposal of assets	1,615	1,615	-	3,230
Insurance expense	32,157	8,575	2,144	42,876
Interest expense	-	2,392	-	2,392
Janitorial and cleaning	2,306	769	-	3,075
Legal and accounting	-	4,157	-	4,157
Meals and entertainment	668	178	45	891
Miscellaneous	-	1,108	-	1,108
Office expense and supplies	305	3,907	2,567	6,779
Postage and shipping	447	119	30	596
Rent, utilities and phone	83,106	22,161	5,540	110,807
Repairs and maintenance	16,624	4,433	1,108	22,165
Resident expense - allowance	8,830	-	-	8,830
Resident expense - food	13,491	-	-	13,491
Resident expense - medical	952	-	-	952
Resident expense - other	13,968	-	-	13,968
Staff and training	400	-	-	400
Special events	-	-	12,473	12,473
Website	476	127	32	635
TOTAL EXPENSES	<u>\$ 499,839</u>	<u>\$ 106,315</u>	<u>\$ 42,840</u>	<u>\$ 648,994</u>

See independent auditor's report and notes to the financial statements.

HICKORY LOG PERSONAL CARE HOME, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and general</u>	<u>Fund- Raising</u>	<u>Total</u>
Compensation and related expenses:				
Wages	\$ 248,551	\$ 44,415	\$ 15,419	\$ 308,385
Payroll taxes and employee benefits	<u>22,598</u>	<u>6,026</u>	<u>1,507</u>	<u>30,131</u>
TOTAL COMPENSATION	271,149	50,441	16,926	338,516
Advertising	260	-	14	274
Automobile expense	3,073	697	174	3,944
Computer and software	105	-	-	105
Contract labor	8,152	-	8,152	16,304
Depreciation	4,876	4,877	-	9,753
Dues and subscriptions	-	5,632	-	5,632
(Gain) loss on disposal of assets	(185)	(185)	-	(370)
Insurance expense	16,491	4,398	1,099	21,988
Interest expense	-	3,882	-	3,882
Janitorial and cleaning	1,567	1,567	-	3,134
Legal and accounting	-	3,826	-	3,826
Meals and entertainment	1,362	363	91	1,816
Miscellaneous	-	2,227	-	2,227
Office expense and supplies	1,182	6,274	-	7,456
Postage and shipping	464	124	31	619
Rent, utilities and phone	80,418	21,445	5,361	107,224
Repairs and maintenance	7,619	2,032	508	10,159
Resident expense - allowance	12,640	-	-	12,640
Resident expense - food	11,061	-	-	11,061
Resident expense - medical	584	-	-	584
Resident expense - other	16,250	-	-	16,250
Staff and training	176	-	-	176
Special events	-	-	962	962
TOTAL EXPENSES	<u>\$ 437,244</u>	<u>\$ 107,600</u>	<u>\$ 33,318</u>	<u>\$ 578,162</u>

See independent auditor's report and notes to the financial statements.

HICKORY LOG PERSONAL CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Hickory Log Personal Care Home, Inc. (the Organization) is a non-profit corporation in White, Georgia that is a private, non-profit personal care home that offers communal housing to men living with developmental and/or intellectual disabilities, as well as those with traumatic brain injuries. The Organization offers vocational skills, job training, meals, shelter, and financial management to the residents of the Organization. The Organization currently has the capacity to house 24 residents. The Organization receives the majority of its revenue from resident tuition, grants, contributions, United Way allocations, and fundraising events.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Non-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions: Net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

HICKORY LOG PERSONAL CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Accordingly, actual results could vary from those estimates.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The carrying value of current assets and liabilities, including cash and cash equivalents, approximates fair value because of the short maturity of those financial instruments.

Revenue and Support With and Without Donor Restrictions

All income is recognized in the period when the contribution, pledge, or unconditional promise to give is received.

The Organization elected to adopt Accounting Standards Codification (ASC 958). In accordance with ASC 958, contributions received are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities as net assets released from restrictions.

HICKORY LOG PERSONAL CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Property and Equipment

Acquisitions of property and equipment are capitalized. Property and equipment are stated at historical cost and donated fixed assets are stated at fair market value on the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long the donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed using the straight-line method. Depreciation expense for the years ended December 31, 2021 and 2020 was \$15,894 and \$9,753, respectively. Repairs on equipment are expensed as incurred.

Advertising

The Organization uses advertising to promote its programs among the area it serves, and expenses advertising costs as incurred. Advertising expenses during 2021 and 2020 totaled \$4,014 and \$274, respectively.

Shipping and Handling Costs

The Organization expenses all shipping and handling costs in the period in which the costs are incurred. Shipping and handling expenses during 2021 and 2020 totaled \$596 and \$619, respectively.

Uncertain Tax Positions

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), except on income derived from unrelated business activities. The Organization had no unrelated business activities. The Organization believes that it has appropriate support for any tax positions that are material to the financial statements.

HICKORY LOG PERSONAL CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Promises to Give

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 fiscal 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.

All unconditional promises to give are due in less than one year.

Public Support

Support from the public includes the dollar value at December 31, 2021 and 2020, respectively, of amounts received at the special events and amounts from local contributions.

Receivables

Grants and accounts receivable are classified as current only if amounts are collectible during the ordinary course of business within one year. The allowance for doubtful accounts for accounts receivable was \$189,197 and \$0 at December 31, 2021 and 2020, respectively.

NOTE 2 – CONCENTRATION OF CREDIT RISK

As of December 31, 2021 and 2020, all deposit accounts maintained in financial institutions were covered by the U.S. Federal Deposit Insurance Corporation and were not exposed to any risk of loss.

HICKORY LOG PERSONAL CARE HOME, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021 and 2020

NOTE 3 – DONATED MATERIALS AND SERVICES

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with programs. During the years ended December 31, 2021 and 2020, the value of contributed goods and services meeting the requirements for recognition in the financial statements included the donation of services and items used in the programs provided by the Organization. Based on the fair market value of these services and goods donated by the general public, these contributions are material and therefore recorded in the financial statements of the Organization as in-kind support. These donations are valued at \$117,395 and \$93,485, respectively.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31, 2021 and 2020:

	2021	2020
Day services building	\$ 14,500	\$ 14,500
Gaming system	98	98
Lighting conversion	3,104	3,104
Salaries – Certified Nurse	6,500	6,500
Freezer, fans, ceiling lights	2,731	-
Technology	2,313	2,605
	<u>\$ 29,246</u>	<u>\$ 26,807</u>

NOTE 5 – COST ALLOCATION

ASC 958 requires all not-for-profits to report expenditures by functional classification. Supporting activities are divided into three categories: (1) Program services (2) Management and general and (3) Fundraising. The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and exhibit the relationship between functional and natural classifications. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. These expenses are allocated on the basis of estimates of time and effort and among the programs and supporting services benefited. The expenses that are allocated include depreciation, office and occupancy, as well as salary and benefits. Such allocations are determined by management on an equitable basis.

HICKORY LOG PERSONAL CARE HOME, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021 and 2020

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$343,669 of financial assets available within one year of the Statement of Financial Position date, December 31, 2021, to meet cash needs for general operating expenditures, consisting of cash of \$217,814 and accounts receivable of \$125,855.

The financial assets available include \$29,246 that is restricted to be used for the following:

	2021
Day services building	\$ 14,500
Gaming system	98
Lighting conversion	3,104
Salaries – Certified Nurse	6,500
Freezer, fans, ceiling lights	2,731
Technology	2,313
	<u>\$ 29,246</u>

As part of its liquidity management, the Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations become due.

NOTE 7 – RESIDENT ACCOUNTS

The Organization is the custodian of funds for the residents of the Organization. These funds are not included in the financial statements of the Organization.

NOTE 8 – REVENUE AND REVENUE RECOGNITION

Contributions	The Organization recognizes contributions when received.
Tuition	The Organization recognizes tuition income when payments are received from residents.
United Way allocations	The Organization recognizes United Way allocations when received.
Fundraising	The Organization recognizes event revenue when received and the obligation has been met (i.e. the event has taken place). Payments are due at the time of event registration.

HICKORY LOG PERSONAL CARE HOME, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021 and 2020

NOTE 9 – NEW ACCOUNTING STANDARDS

In June 2018, the FASB issued ASU 2018-08, *Not for Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves the scope and accounting guidance for contributions received and contributions made by not-for-profit organizations, and provides guidance on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional.

The Organization adopted the standard on a modified prospective basis, and the adoption did not have a material impact on how the Organization accounts for its contributions received or made.

NOTE 10 – CONCENTRATIONS OF REVENUE SOURCES

For the year ended December 31, 2021, approximately 37% of the Organization's revenues are derived from tuition received from residents of the Organization, 23% was received from contributions from individuals and local businesses, and 5% was received from United Way allocations. For the year ended December 31, 2020 approximately 44% of the Organization's revenues are derived from tuition received from residents of the Organization, 19% was received from contributions from individuals and local businesses, and 6% was received from United Way allocations.

NOTE 11 – LONG-TERM DEBT

At December 31, 2021 and 2020, the Organization was obligated on long-term debt as follows:

	<u>2021</u>	<u>2020</u>
Note payable to the U.S. Small Business Administration, interest at 2.75%, unsecured	\$ <u>147,905</u>	\$ <u>150,000</u>
	147,905	150,000
Less: current portion	<u>(605)</u>	<u>(2,095)</u>
	<u>\$ 147,300</u>	<u>\$ 147,905</u>

HICKORY LOG PERSONAL CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11 – LONG-TERM DEBT (Continued)

Maturities of long-term debt are as follows:

Years Ending December 31:

2022	\$	605
2023		3,687
2024		3,790
2025		3,896
2026		4,004
Thereafter		<u>131,318</u>
	\$	<u>147,300</u>

NOTE 12 – PAYCHECK PROTECTION PROGRAM LOAN

On April 20, 2020, the Organization was granted a loan from Century Bank in the amount of \$45,127, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan, which was in the form of a Note dated April 20, 2020 issued by the Organization, matures on April 20, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 20, 2020. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs to continue group health care benefits, and utilities incurred.

The Organization used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Since the Organization used the entire proceeds of the loan for qualifying expenses, generally accepted accounting principles allows the proceeds to be treated as income.

Accordingly, the entire amount of \$45,127 was forgiven and has been reflected in the federal and state grants section of the Statements of Activities, and is not taxable.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

Net assets without donor restrictions as of January 1, 2020 have been increased by \$131,469 due to resident accounts receivable from 2017 to 2019, which were invoiced to residents in the year ended December 31, 2020.

HICKORY LOG PERSONAL CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 14 – NAME CHANGE

The Organization changed its name from Hickory Log Vocational School, Inc. to Hickory Log Personal Care Home, Inc. on September 7, 2021.

NOTE 15 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 3, 2022, the date which the financial statements were available to be issued.