

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
FAIRHAVEN, MASSACHUSETTS  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Our Lady's Haven of Fairhaven, Inc.  
Fairhaven, Massachusetts

We have audited the accompanying financial statements of Our Lady's Haven of Fairhaven, Inc. ("the Home") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our Lady's Haven of Fairhaven, Inc. as of December 31, 2020 and 2019, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Substantial Doubt about the Home's Ability to Continue as a Going Concern**

The accompanying financial statements have been prepared assuming that the Home will continue as a going concern. As discussed in Note A to the financial statements, the Home has suffered recurring significant reductions in patient service revenue, has a net deficiency in net assets, and has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters also are described in Note A. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

*Livingston + Haynes, P.C.*

Wellesley, Massachusetts  
May 6, 2021

OUR LADY'S HAVEN OF FAIRHAVEN, INC  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

ASSETS		
	2020	2019
Cash and cash equivalents	\$ 1,587,859	\$ 428,263
Due from the Diocese	-	50,000
Patient accounts receivable, less allowances for uncollectible accounts of \$42,000 and \$90,000 at December 31, 2020 and 2019, respectively	828,345	1,313,591
Other receivable	64,654	-
Inventories of supplies	28,353	10,443
Due from affiliates	74,274	73,774
Prepaid expenses	45,064	42,966
TOTAL CURRENT ASSETS	2,628,549	1,919,037
Property and equipment:		
Land and land improvements	140,088	140,088
Building and building improvements	2,462,052	2,447,073
Equipment	780,732	815,756
Vehicles	60,008	60,008
Construction in progress	-	725
	3,442,880	3,463,650
Less allowances for depreciation and amortization	2,873,263	2,813,544
	569,617	650,106
Restricted cash	36,659	29,130
Other assets	482	146,590
TOTAL ASSETS	\$ 3,235,307	\$ 2,744,863
LIABILITIES AND NET ASSETS (DEFICIT)		
Accounts payable	\$ 364,001	\$ 1,522,965
Accrued expenses	864,037	725,890
Custodial funds	36,659	29,130
Due to affiliates	2,918,602	3,251,202
Current portion of long-term debt	76,235	57,493
TOTAL CURRENT LIABILITIES	4,259,534	5,586,680
Long-term debt, less current portion	626,752	55,280
TOTAL LIABILITIES	4,886,286	5,641,960
Net assets (deficit) without donor restrictions	(1,650,979)	(2,897,097)
TOTAL NET ASSETS (DEFICIT)	(1,650,979)	(2,897,097)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 3,235,307	\$ 2,744,863

See accompanying notes to financial statements.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenue and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 7,789,269	\$ 9,677,676
COVID-19 related relief revenue	1,616,835	-
Payroll Protection Program grant	1,182,798	-
Forgiveness of debt income	111,078	277,211
Donations	10,456	6,077
Interest income	3,431	938
Other	269,305	262,547
TOTAL REVENUE AND OTHER SUPPORT	10,983,172	10,224,449
Expenses:		
Program services: health services	8,756,279	9,650,125
Supporting services: management and general	980,775	931,902
TOTAL EXPENSES	9,737,054	10,582,027
CHANGES IN NET ASSETS (DEFICIT)	1,246,118	(357,578)
Net assets (deficit) at beginning of year	(2,897,097)	(2,539,519)
NET ASSETS (DEFICIT) AT END OF YEAR	\$ (1,650,979)	\$ (2,897,097)

See accompanying notes to financial statements.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		
	PROGRAM SERVICES	SUPPORTING SERVICES	Total
	Health Services	Management and General	
Salaries and wages	\$ 4,997,382	\$ 327,598	\$ 5,324,980
Payroll taxes	432,404	28,346	460,750
Employee benefits	666,975	43,723	710,698
Office expenses	-	92,232	92,232
Travel	-	5,073	5,073
Professional fees	-	18,933	18,933
Provision for bad debts	46,869	-	46,869
Depreciation and amortization	54,986	41,749	96,735
Interest	12,479	-	12,479
Advertising	-	10,886	10,886
Occupancy	125,094	134,633	259,727
Supplies and other	402,366	-	402,366
Purchased services	1,149,853	19,055	1,168,908
Food	239,687	-	239,687
Management fee	-	258,543	258,543
User fee	206,294	-	206,294
COVID-19 testing	244,845	-	244,845
Miscellaneous	177,045	4	177,049
	<u>\$ 8,756,279</u>	<u>\$ 980,775</u>	<u>\$ 9,737,054</u>
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	<u>\$ 8,756,279</u>	<u>\$ 980,775</u>	<u>\$ 9,737,054</u>

See accompanying notes to financial statements.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2019		
	PROGRAM SERVICES	SUPPORTING SERVICES	Total
	Health Services	Management and General	
Salaries and wages	\$ 5,559,409	\$ 304,918	\$ 5,864,327
Payroll taxes	464,599	25,482	490,081
Employee benefits	703,658	38,594	742,252
Office expenses	-	104,622	104,622
Travel	-	6,487	6,487
Professional fees	-	23,046	23,046
Provision for bad debts	54,235	-	54,235
Depreciation and amortization	57,599	42,554	100,153
Interest	7,131	-	7,131
Advertising	-	7,883	7,883
Occupancy	135,697	146,044	281,741
Supplies and other	474,970	-	474,970
Purchased services	1,540,524	23,181	1,563,705
Food	347,258	-	347,258
Management fee	-	201,444	201,444
User fee	278,113	-	278,113
COVID-19 testing	-	-	-
Miscellaneous	26,932	7,647	34,579
	<u>\$ 9,650,125</u>	<u>\$ 931,902</u>	<u>\$ 10,582,027</u>
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	<u>\$ 9,650,125</u>	<u>\$ 931,902</u>	<u>\$ 10,582,027</u>

See accompanying notes to financial statements.



OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Changes in net assets (deficit)	\$ 1,246,118	\$ (357,578)
Adjustments to reconcile changes in net assets (deficit) to net cash provided by operating activities:		
Depreciation and amortization	96,735	100,153
Provision for bad debts	46,869	54,235
Forgiveness of debt income	(111,078)	(277,211)
Loss on disposal of property and equipment	724	22,561
Impairment loss	145,625	-
(Increase) decrease in:		
Patient accounts receivable	438,377	(287,909)
Other receivable	(64,654)	-
Inventories of supplies	(17,910)	10,872
Due from affiliates	(500)	29,630
Prepaid expenses	(2,098)	(1,560)
Increase (decrease) in:		
Accounts payable	(342,271)	640,795
Accrued expenses and custodial funds	145,676	74,186
Due to affiliates	(147,600)	188,769
TOTAL ADJUSTMENTS	187,895	554,521
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,434,013	196,943
Cash flows from investing activities:		
Decrease in due from the Diocese	-	50,681
Funds advanced to affiliates	-	(45,000)
Funds paid back by affiliates	-	30,000
Purchases of property and equipment	(16,487)	(11,786)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(16,487)	23,895
Cash flows from financing activities:		
Funds advanced from affiliates	-	301,500
Funds paid back to affiliates	(185,000)	(102,000)
Principal payments of long-term debt	(65,401)	(54,693)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(250,401)	144,807
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	1,167,125	365,645
Cash, cash equivalents, and restricted cash at beginning of year	457,393	91,748
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	\$ 1,624,518	\$ 457,393

See accompanying notes to financial statements.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
 STATEMENTS OF CASH FLOWS (CONTINUED)  
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>Supplemental disclosures of cash flow information:</b>		
Noncash operating and investing transactions:		
Decrease in due from Diocese used to reduce accounts payable	\$ 50,000	\$ -
Noncash investing and financing transactions:		
Debt obligations incurred in reduction of accounts payable	\$ 655,615	\$ -
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	\$ 11,130	\$ 7,131

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the totals of the same such amounts in the statements of cash flows:

	2020	2019
Cash and cash equivalents	\$ 1,587,859	\$ 428,263
Restricted cash	36,659	29,130
	\$ 1,624,518	\$ 457,393

See accompanying notes to financial statements.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Our Lady's Haven of Fairhaven, Inc. ("the Home") is a non-profit corporation founded for the purpose of maintaining and operating a nursing and rehabilitation center for the aged and infirm. The Home is located in Fairhaven, Massachusetts and provides services primarily to residents of the region. The significant accounting policies followed by the Home are described below.

Going Concern

The financial statements were prepared on a going concern basis. The going concern basis assumes that the Home will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

As indicated in the accompanying financial statements, during the year ended December 31, 2020, the Home had a decrease in patient service revenue of \$1,888,407 and at December 31, 2020, the Home had a negative working capital of \$1,630,985. To date in 2021, the Home has continued to experience a further decrease in patient service revenue and a negative working capital. Whether and when the Home can attain an increase in patient service revenue and a positive working capital is uncertain. Management of the Home is developing a plan to increase its patient service revenue through increased marketing efforts. During 2021, the Home has also received an additional Payroll Protection Program grant in the amount of \$1,321,480 which will help to fund operations. In addition, management has implemented expense controls. Management believes that this combination of managing expenses and producing additional revenue from increased marketing efforts as well as the additional revenue from the Payroll Protection Program grant will maximize the Home's ability to remain in business.

Management has concluded that the combination of these uncertainties casts substantial doubt upon the Home's ability to continue as a going concern within one year from issuance of these financial statements. Therefore, the Home may be unable to realize its assets and discharge its liabilities in the normal course of operations. The financial statements do not include any adjustments that might be necessary should the Home be unable to continue as a going concern.

Accrual Basis

The financial statements of the Home 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 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 and disclosure of contingent 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.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Net assets (deficit), revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets (deficit) and changes therein are classified and reported as follows:

*Net assets (deficit) without donor restrictions* - Net assets (deficit) available for use in general operations and not subject to donor-imposed stipulations.

*Net assets (deficit) with donor restrictions* - Net assets (deficit) subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Home had no net assets (deficit) with donor restrictions at December 31, 2020 and 2019.

Revenues are reported as increases in net assets (deficit) without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets (deficit) without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets (deficit) without donor restriction unless their use is restricted by explicit donor stipulations or law. Expirations of time restrictions on net assets (deficit) (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets (deficit) as net assets (deficit) released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of property and equipment without donor restrictions concerning the use of such long-lived assets are reported as revenue of the net assets (deficit) without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment are reported as revenue of the net assets (deficit) with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Home recognizes governmental grants once there is reasonable assurance that any conditions attached to the grant will be met and the grant will be received. Once there is reasonable assurance that the conditions will be met, the grant is recognized on a systematic basis over the periods in which the Home recognizes as expenses the related costs for which the grants are intended to compensate. Thus, the Home would initially record the governmental grant as a deferred income liability and then reduce the liability and recognize revenue as the Home recognized the related cost to which the grant relates.

Functional Allocation of Expenses

The costs of program and supporting service 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 financial statements report certain categories that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, insurance, and occupancy which are allocated on a square footage basis, as well as salaries and wages, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort.

Patient Service Revenue

Patient service revenue is primarily derived from services rendered to patients for inpatient nursing care. The services provided by the Home have no fixed duration and can be terminated by the patient or the Home at any time and, therefore, each treatment is its own stand-alone contract.

In order to recognize the patient service revenue, the Home identifies the patient's contract, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to the performance obligations in the contract, and recognizes revenue when (or as) the Home satisfies a performance obligation.

Patient service revenue is reported at the estimated net realizable amounts that reflects the consideration to which the Home expects to be entitled in exchange for providing resident and patient care. These amounts are due from residents, patients, third-party payors (including health insurers and government programs), and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations.



OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Patient Service Revenue (Continued)

Performance obligations are determined based on the nature of the services provided by the Home. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Home believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents and patients receiving skilled nursing services. The Home considers daily services provided to residents of the skilled nursing facility as separate performance obligations and measures these on a monthly basis, or upon move-out within the month, whichever is shorter. For nursing home residents, the Home measures the performance obligation from admission into the Home, to the point when it is no longer required to provide services to that resident, which is generally at the time of discharge.

The Home determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors. The Home determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical evidence.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

*Medicaid - Standard Payments to Nursing Facilities*

The Home receives reimbursement from the Commonwealth of Massachusetts under a standard rate of reimbursement payment system for the care and services rendered to publicly-aided patients pursuant to regulations promulgated by the Center for Health Information and Analysis. Under the regulations, current year rates are a combination of actual base year costs blended with industry standards adjusted for inflation. The base year costs are subject to audit and could result in a retroactive rate adjustment for the current year.

*Medicare - Prospective Payment System*

Through September 30, 2019, the Home received reimbursement for the care of certain patients under the federally sponsored Medicare prospective payment system ("PPS") through an insurance intermediary. The federal rates utilize facility case-mix resident assessment data, completed by the skilled nursing facility ("SNF"), to assign patients into Resource Utilization Groups ("RUG"). SNF's must complete the resident assessments according to a specific time schedule designed for Medicare payment. SNF's that do not comply with this requirement will be paid at a default payment (the lowest of the federal rates) for the days of a patient's care for which the SNF is not in compliance.

The PPS program mandates the implementation of fee schedules for SNF therapy services to residents not in a covered Part A stay and to nonresidents who receive outpatient rehabilitation services from the SNF. The Centers for Medicare and Medicaid Services imposed a limit for both physical therapy (including speech therapy) and occupational therapy services, except for certain medical conditions. The Program is administered by the Centers for Medicare and Medicaid Services ("CMS").

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Patient Service Revenue (Continued)

*Medicare - Prospective Payment System (Continued)*

Effective October 1, 2019, the Medicare Reimbursement System underwent a significant change in methodology and implemented a patient driven payment model ("PDPM"). The PDPM payment system operates similar to PPS in that patients are assigned standard rates of payment for their specific needs. Under PDPM, therapy minutes are removed as the primary basis for payment and instead, uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Therapy services to residents not in a covered Part A stay remain the same.

*Other*

Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Home's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Home. In addition, the contracts the Home has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Home's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.



OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Patient Service Revenue (Continued)

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Home estimates the transaction price for residents with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to resident service revenue in the period of the change. See Note B for additional revenue recognized due to changes in its contractual adjustments for the years ended December 31, 2020 and 2019. Subsequent changes that are determined to be the result of an adverse change in the resident's ability to pay are recorded as bad debt expense.

The Home has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Method of reimbursement (fee for service or capitation)

For the years ended December 31, 2020 and 2019, the Home recognized revenue of \$7,789,269 and \$9,677,676, respectively, from goods and services that transfer to the patients over a period of time.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank, and short-term highly liquid investments, with maturities at purchase of less than three months.

Restricted Cash

The restricted cash belongs to residents of the Home and represents funds on deposit to be used for residents' personal needs. It is not available for use by the Home. The related liability is included in custodial funds on the statements of financial position.

Accounts Receivable

The Home carries its accounts receivable at cost less an allowance for uncollectible accounts. On a periodic basis, the Home evaluates its accounts receivable and establishes an allowance for uncollectible accounts, based on a history of past write-offs and collections and current conditions when deemed necessary. The Home determines delinquent accounts based on individual facts and circumstances. Historically, the Home has not charged interest on accounts that are deemed to be delinquent.



OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories of Supplies

Inventories of supplies are valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or, if donated, at the market value on the date of the gift less accumulated depreciation and amortization. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. When an asset is retired or disposed of, the related costs and allowances for depreciation or amortization are removed from the accounts and any gain or loss on the disposition is reflected in the statements of activities. Provision for depreciation and amortization is made on the straight-line method by annual charges to the statements of activities calculated to absorb the costs over the estimated useful lives of the assets.

The estimated useful lives of these assets are as follows:

Land and land improvements	20 years
Building and building improvements	20-40 years
Equipment	3-10 years
Vehicles	4 years

Other Assets

Other assets at December 31, 2020 consists of an external website developed by the Home. The website is used by the Home for advertising purposes only. The costs associated with the website application and infrastructure development of the website were capitalized and are being amortized over a period of three years - the estimated useful life of the website.

At December 31, 2019, other assets also contained the cost and additional fees related to a license for additional beds at the Home. During 2020, it was determined that this license could no longer be used by the Home and, therefore, an impairment loss was recognized. See Note S.

Income Taxes

The Home is classified as a public charity exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Home recognizes the tax benefit from any uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. Any tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. Management has analyzed the Home's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open years (2017-2019) or expected to be taken in the Home's 2020 tax returns. The Home identifies its major tax jurisdictions as U.S. Federal and the Commonwealth of Massachusetts; however, the Home is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Home also follows the policy to recognize interest and penalties related to unrecognized tax benefits (if any) in income tax expense. No such interest and penalties have been recorded as of December 31, 2020 and 2019.

Financial Instruments and Credit Risk

The Home manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Home has not experienced losses in any of these accounts.

NOTE B - CONCENTRATIONS AND RISKS

The Home grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The primary third-party payor is the Commonwealth of Massachusetts.

For the years ended December 31, 2020 and 2019, revenue from the Medicare programs accounted for approximately 19% and 14%, respectively, of the Home's patient service revenue. For the years ended December 31, 2020 and 2019, revenue from Medicaid programs accounted for approximately 58% of the Home's patient service revenue. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2020 net patient service revenue increased \$771 and the 2019 net patient service revenue decreased \$2,132 due to prior-year retroactive adjustments in excess of amounts previously estimated.

At December 31, 2019, the Home had funds on deposit with the Roman Catholic Bishop of Fall River ("the Diocese"), a related entity, that were not insured (refer to Note D). Management does not believe there is any risk of loss to these deposits.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE C - PENSION PLAN

The Home participates with other related and affiliated non-profit organizations in a multiemployer, contributory, defined-benefit plan.

Effective December 31, 2015, the Diocese froze the Plan to new entrants and froze future benefit accruals for all current participants under the Plan. The Plan covered substantially all lay employees who were eligible to participate in the Plan prior to the Plan freeze. As of January 1, 2018, the Plan is requiring that the Home contribute annually 3% of its December 31, 2015 salaries to the Plan in 12 monthly installments.

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to a multiemployer plan, generally the unfunded obligations of the multiemployer plan may be borne by the remaining participating employers on a case by case basis.
- c. If a participating entity chooses to stop participating in a multiemployer plan, the participating entity may be required to pay the multiemployer plan an amount based on the underfunded status of the multiemployer plan, referred to as a withdrawal liability.

The plan that the Home participates in is the Retirement Plan for Full-Time Lay Employees of Roman Catholic Bishop of Fall River, Corporation Sole ("the Plan"). Benefits under the Plan are provided through a pension plan administered by the Diocese. For the years ended December 31, 2020 and 2019, the Home made pension contributions to the Plan of approximately \$148,100. The Home has determined that its contributions represent more than 5% of total contributions to the Plan during the years ended December 31, 2020 and 2019. The Home owes \$12,342 and \$98,736 for these contributions at December 31, 2020 and 2019, respectively, which are included in accounts payable on the statements of financial position. During 2020, the Diocese forgave \$111,078 of the amounts owed to the Diocese for these contributions from 2020 and prior years. This amount is included as revenue in the statements of activities at December 31, 2020. There were no amounts forgiven during the year ended December 31, 2019. Accumulated plan benefit information, as provided by consulting actuaries, has not been distinguished from the benefits of the other organizations participating in the Plan and is not reflected in the accompanying statements of financial position.

The Plan provides retirement payments to employees on the basis of the credits earned by those participating employees. To the extent that the Plan is underfunded, if at all, future contributions by the Home to the Plan may or may not be affected depending upon how the Plan decides to handle the underfunding. At this time, based on the Home's understanding of the Plan, the Home is not responsible for the underfunded status of the Plan because, presently, the Plan does not require withdrawing participants to pay a withdrawal liability or other penalty. As of January 1, 2017, the Plan included assets equal to 58.1% of the present value of accumulated benefits.

In replacement of the Plan, the Home's employees can contribute to a 403(b) Plan (refer to Note G.)

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE D - RELATED PARTY TRANSACTIONS

Included in due from the Diocese on the statements of financial position are funds on deposit with the Diocese which totaled \$-0- and \$50,000 at December 31, 2020 and 2019, respectively. During 2020, the \$50,000 was used to pay off old outstanding invoices that the Home owed the Diocese.

During the years ended December 31, 2020 and 2019, the Home was provided accounting and management services in the approximate amounts of \$258,500 and \$201,500, respectively, from the Diocese's Office of Diocesan Health Facilities ("DHFO"), a related organization. At December 31, 2020 and 2019, the Home owed approximately \$21,545 and \$100,700, respectively, for these services for the current and prior years which is included in due to affiliates on the statements of financial position. During 2020 and 2019, DHFO forgave \$-0- and \$277,211, respectively, of management fees that the Home owed. These amounts are included as revenue in the statements of activities at December 31, 2020 and 2019.

During the years ended December 31, 2020 and 2019, the Home purchased various property and malpractice insurance and medical coverage for its employees in the aggregate amounts of approximately \$489,800 and \$512,000, respectively, through the Diocese. The Home owed at December 31, 2020 and 2019 approximately \$128,600 and \$876,000, respectively, for this insurance coverage for the current and prior years, which is included in accounts payable and accrued expenses on the statements of financial position.

During 2020, the Diocese converted \$655,625 of the amounts owed related to these insurance policies into a loan from the Diocese. The Home also has another loan with the Diocese from a previous year that helped to fund a capital project. See Note M for more information on these loans. During the years ended December 31, 2020 and 2019, the Home made principal payments on both loans of \$65,401 and \$54,693, respectively, and incurred interest expense of \$12,479 and \$7,131, respectively. At December 31, 2020 and 2019, the Home had accrued interest expense related to these loans of \$1,349 and \$-0-, respectively. These amounts are included in accrued expenses on the statements of financial position.

The Home is responsible for paying to the Diocese 1% of employees' gross salaries for short-term disability insurance and life insurance. For the years ended December 31, 2020 and 2019, the Home's contributions for short-term disability and life insurance approximated \$46,500 and \$48,500, respectively. The Home owed approximately \$3,000 and \$16,700 for these contributions for the years ended December 31, 2020 and 2019, respectively, which is included in accounts payable on the statements of financial position.

Certain personnel employed by related entities performed services for the Home. The applicable salaries and benefits of these employees are reimbursed by the Home. The value of these services approximated \$50,700 and \$39,000 for the years ended December 31, 2020 and 2019, respectively. At December 31, 2020 and 2019, the Home owed \$7,901 and \$53,714, respectively, for these services for the current and prior years, which are included in due to affiliates and due from affiliates on the statements of financial position.



OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE D - RELATED PARTY TRANSACTIONS (Continued)

Employees of the Home also provided services to related entities. The applicable salaries and benefits of these employees are reimbursed by the related entities. The value of these services approximated \$1,200 and \$8,700 for the years ended December 31, 2020 and 2019, respectively. At December 31, 2020 and 2019, the Home is owed \$-0- and \$14,237, respectively, for these services for the current and prior years, which are included in due to affiliates and due from affiliates on the statements of financial position.

During the years ended December 31, 2020 and 2019, the Home was loaned by affiliates \$-0- and \$301,500, respectively, to meet its short-term cash needs. At December 31, 2020 and 2019, the Home owed \$2,871,500 and \$3,056,500 to these affiliates, respectively. Currently, there are no repayment terms and the affiliates are not charging interest on the loans. During 2020 and 2019, \$185,000 and \$102,000, respectively, of repayments were made on these loans. The short-term loans are included in due to affiliates on the statements of financial position.

At December 31, 2020 and 2019, an affiliate of the Home owed the Home \$75,000 for a short-term loan made to this affiliate to allow the organization to meet its cash needs. Currently, there are no repayment terms and the Home is not charging interest on the loan. During the years ended December 31, 2020 and 2019, the Home had loaned \$-0- and \$45,000, respectively, related to this loan. During 2020 and 2019, the Home was repaid \$-0- and \$30,000 for this loan, respectively. The short-term loan is included in due from affiliates on the statements of financial position.

The amounts in due from affiliates at December 31, 2020 and 2019 are as follows:

	2020	2019
Marian Manor, Inc.:		
Services and other	\$ (726)	\$ (1,226)
Funds advanced from the Home	75,000	75,000
	\$ 74,274	\$ 73,774

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE D - RELATED PARTY TRANSACTIONS (Continued)

The amounts in due to affiliates at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Office of Diocesan Health Facilities:		
Services and other	\$ 23,717	\$ 93,026
Funds advanced to the Home	175,000	195,000
Catholic Memorial Home, Inc.:		
Services and other	14,279	57,623
Funds advanced to the Home	1,800,000	1,800,000
Sacred Heart Home:		
Services and other	8,569	44,091
Funds advanced to the Home	676,000	676,000
Madonna Manor, Inc.:		
Services and other	537	(173)
Funds advanced to the Home	220,500	385,500
Other related entities:		
Services and other	-	135
Funds advanced to the Home	<u>-</u>	<u>-</u>
	<u>\$ 2,918,602</u>	<u>\$ 3,251,202</u>

NOTE E - OPERATING LEASES

The Home leases equipment under noncancelable operating leases which expire at various dates through November 2022. For the years ended December 31, 2020 and 2019, rental expense for these operating leases was \$736 and \$2,608, respectively.

The following is a schedule of future minimum lease payments required under the above noncancelable operating leases as of December 31, 2020:

2021	\$ 736
2022	675
2023	-
2024	-
2025	<u>-</u>
	<u>\$ 1,411</u>

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE F - ADVERTISING COSTS

The Home expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Help wanted advertising	\$ 8,418	\$ 5,050
Advertising - promotional	2,468	2,833
	\$ 10,886	\$ 7,883

NOTE G - 403(b) PLAN

On August 1, 2010, the Home joined the Diocesan Separately-Incorporated Entities Voluntary 403(b) Plan (the "Plan"). The Home participates with other related and affiliated non-profit organizations in this defined contribution deferred savings plan. The Plan is being administered by the Diocese. The Plan is based on total compensation and qualifies under Section 403(b) of the Internal Revenue Service Code. All employees are eligible to participate immediately upon employment at the Home. The Home is not making matching contributions to the Plan. During the years ended December 31, 2020 and 2019, the Home incurred administrative costs of \$-0- and \$1,311, respectively, to the Diocese for administering the Plan. As of December 31, 2020 and 2019, the Home owed the Diocese \$-0- and \$656, respectively, for these costs. These amounts are included in accounts payable and accrued expenses on the statements of financial position.

NOTE H - ACCRUED EXPENSES

At December 31, 2020 and 2019, accrued expenses consist of:

	2020	2019
Accrued salaries	\$ 153,206	\$ 173,546
Accrued paid time off	207,258	217,347
Accrued user fee	137,923	221,885
Accrued payroll taxes	11,086	13,536
Accrued insurance	6,356	82,861
Accrued National Government Services accelerated payment	254,847	-
Other accrued expenses	93,361	16,715
	\$ 864,037	\$ 725,890

During 2020, the Home received from National Government Services an accelerated payment due to COVID-19. The Home is expected to pay this amount back in 2021.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE I - ACCOUNTS RECEIVABLE

At December 31, 2020 and 2019, accounts receivable consists of:

	2020	2019
Private patients	\$ 404,367	\$ 608,067
Medicare patients	167,979	194,006
Medicaid patients	297,999	601,518
Allowance for uncollectible accounts	(42,000)	(90,000)
	\$ 828,345	\$ 1,313,591

NOTE J - OTHER ASSETS

At December 31, 2020 and 2019 other assets consist of:

	2020	2019
Capitalized costs of license for additional beds	\$ -	\$ 145,625
Website costs	1,447	1,447
Less: accumulated amortization of website costs	(965)	(482)
	\$ 482	\$ 146,590

During 2019, the Home replaced their website and capitalized \$1,447 of new website costs. Amortization expense for the website for the years ended December 31, 2020 and 2019 was \$483 and \$482, respectively.

Future amortization expense for the years ending December 31 is as follows:

2021	\$ 482
2022	-
2023	-
2024	-
2025	-
	\$ 482

NOTE K - PROPERTY AND EQUIPMENT

For the years ended December 31, 2020 and 2019, depreciation and amortization of property and equipment amounted to \$96,252 and \$99,671, respectively.



OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE L - COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Home is, from time to time, involved in various legal matters. It is the Home's opinion that any potential settlements would not be material to the accompanying financial statements.

A significant portion of the Home's net revenues and accounts receivable are derived from services reimbursable under the Medicaid and the Medicare programs. There are numerous health care reform proposals being considered on the federal and state levels. The Home cannot predict at this time whether any of these proposals will be adopted or, if adopted and implemented, what effect such proposals would have on the Home.

A significant portion of the Home's revenues are derived from services reimbursable under the Medicaid program (see Note B). The base year costs utilized in calculating the Medicaid prospective rates are subject to audit which could result in a retroactive rate adjustment for all years in which that base year's costs are used in calculating the prospective rates. It is not possible at this time to determine whether the Home will be audited or if a retroactive rate adjustment would result.

A significant portion of the Home's revenues are derived from services under the Medicare program (see Note B). Under this program, cost reports are subject to audit for a period of three years from the date of issuance of a Notification of Provider Reimbursement by the fiscal intermediary. It is not possible at this time to determine whether the Home will be audited or if a retroactive rate adjustment would result.

The Home purchases professional and general liability insurance to cover medical malpractice claims. Through December 31, 2020, the Home was covered by a claims-made basis policy. There are known claims and incidents that may result in the assertion of additional claims and there may be claims from unknown incidents that may be asserted arising from services provided to patients. Based on historical evidence, the Home believes that a reserve for claims from unknown incidents is not necessary, and as such, no reserve has been accrued in the financial statements as of December 31, 2020 and 2019.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2020 AND 2019

NOTE M - LONG-TERM DEBT

At December 31, 2020 and 2019, long-term debt, all of which is payable to the Diocese, consists of the following:

	<u>2020</u>	<u>2019</u>
5.0% note payable to the Diocese in monthly payments of \$5,152, including interest, through November 2021, collateralized by land and building	\$ 55,281	\$ 112,773
2.5% unsecured loan payable to the Diocese in monthly payments of \$2,941, including interest, through June 2045	<u>647,706</u> 702,987	<u>-</u> 112,773
Less current portion	<u>76,235</u>	<u>57,493</u>
	<u>\$ 626,752</u>	<u>\$ 55,280</u>

The amount of aggregate annual principal installments of long-term debt for each of the five years succeeding December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	
2021	\$ 76,235
2022	19,852
2023	20,354
2024	20,869
2025	21,397

NOTE N - LIQUIDITY AND AVAILABILITY

The Home regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Home has various sources of liquidity at its disposal including cash and cash equivalents and short-term loans from the other related nursing homes.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Home considers all expenditures related to its ongoing activities of health services 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 12 months, the Home has a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE N - LIQUIDITY AND AVAILABILITY (Continued)

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

	2020	2019
Cash and cash equivalents	\$ 1,587,859	\$ 428,263
Due from the Diocese	-	50,000
Patient accounts receivable	828,345	1,313,591
Other receivable	64,654	-
Due from affiliates	74,274	73,774
	<u>\$ 2,555,132</u>	<u>\$ 1,865,628</u>

NOTE O - GUARANTEE LIABILITIES

The Home along with the other four Diocesan Nursing Homes have guaranteed a \$1,500,000 revolving line of credit that DHFO has with a bank. The DHFO revolving line of credit has interest only payments through April 10, 2022 when all accrued interest and principal payments are due. The Homes would be obligated to perform under this guarantee if DHFO failed to pay principal and interest payments to the bank when due. Including accrued interest, the maximum potential amount of future (undiscounted) payments under this guarantee would be \$728,343, which is the amount that DHFO has borrowed on the line of credit through December 31, 2020. DHFO is current with its debt payments as of December 31, 2020 and it is not expected that the Homes will need to honor this guarantee. Therefore, no amounts have been accrued on the statements of financial position related to the guarantee.

NOTE P - PAYROLL PROTECTION PROGRAM GRANT

On April 16, 2020, the Home was advanced funds of \$1,182,798 under the federal Payroll Protection Program to use to fund payroll, rent, utilities, and interest on existing debt. If the funds are not used for these specified purposes, then the funds become a two-year loan with an interest rate of 1%. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the Payroll Protection Program.

The Home had treated these funds as a conditional governmental grant and had recorded them as a liability and recognized grant revenues once the funds were used for the specified purposes of the grant. As of December 31, 2020, the entire \$1,182,798 had been used for those specified purposes and, therefore, the Home recognized the entire \$1,182,798 as revenue on the statements of activities. Subsequent to year end, on January 19, 2021, the Home was granted forgiveness for the entire \$1,182,798 by the Small Business Administration.

OUR LADY'S HAVEN OF FAIRHAVEN, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2020 AND 2019

NOTE Q - COVID-19

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Home, COVID-19 has had an impact on various parts of its 2020 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, shortages of health care personnel, and loss of revenue due to reductions in certain revenue streams. Management believes the Home is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2020.

NOTE R - RECLASSIFICATIONS

Certain balances in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications had no impact on the statements of financial position, statements of activities, statements of functional expenses or statements of cash flows.

NOTE S - IMPAIRMENT OF OTHER ASSETS

During 2020, the Home determined that a portion of its other assets related to the costs of a license for additional beds at the Home was impaired due to the fact that this license would never be used by the Home. The amount of the impairment loss was \$145,625 and is included with health services expenses as miscellaneous on the statements of activities.

NOTE T - SUBSEQUENT EVENTS

As described in Note P, on January 19, 2021, the Home received forgiveness on its Payroll Protection Program loan.

Subsequent to year end, the Home received a second loan from the Payroll Protection Program in the amount of \$1,321,480. These funds may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the Payroll Protection Program.

The Home has evaluated the impact of all other subsequent events through May 6, 2021, the date the financial statements were available to be issued, and has determined that there were no other subsequent events requiring adjustment or disclosure in the financial statements.