

**UNITED CEREBRAL PALSY
ASSOCIATION OF
SAN JOAQUIN, CALAVERAS,
AMADOR COUNTIES
(A NONPROFIT CORPORATION)**

FINANCIAL REPORT

JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board of Directors
UNITED CEREBRAL PALSY ASSOCIATION
OF SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A NONPROFIT CORPORATION)
Stockton, California

Report on the Financial Statements

We have audited the accompanying financial statements of United Cerebral Palsy Association of San Joaquin, Calaveras, Amador Counties (A Nonprofit Corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 of 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.

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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 United Cerebral Palsy Association of San Joaquin, Calaveras, Amador Counties as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited United Cerebral Palsy Association of San Joaquin, Calaveras, Amador Counties' June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schwartz, Giannini, Lantsberger & Adamson

Stockton, California
February 18, 2021

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)
STATEMENT OF FINANCIAL POSITION
June 30, 2020
(With Comparative Totals For June 30, 2019)**

ASSETS	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,113,459	\$ 3,740,105
Receivables (Note 3)	842,253	743,194
Prepaid expenses	21,454	45,994
Total current assets	\$ 6,977,166	\$ 4,529,293
PROPERTY AND EQUIPMENT, NET (Note 2)	560,069	593,912
Total assets	\$ 7,537,235	\$ 5,123,205
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 24,486	\$ 43,992
Accrued payroll	149,851	107,014
Accrued vacation	215,327	190,393
PPP loan (Note 9)	1,156,157	-
Total current liabilities	\$ 1,545,821	\$ 341,399
NET ASSETS		
Net Assets Without Donor Restrictions	\$ 5,988,747	\$ 4,780,170
Net Assets With Donor Restrictions (Note 4)	2,667	1,636
Total net assets	\$ 5,991,414	\$ 4,781,806
Total liabilities and net assets	\$ 7,537,235	\$ 5,123,205

See Notes to Financial Statements.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2020
(With Comparative Totals For June 30, 2019)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total June 30, 2020	Total June 30, 2019
SUPPORT AND REVENUE				
Governmental grants and contract income (Note 3)	\$ 8,662,407	\$ 16,779	\$ 8,679,186	\$ 8,420,589
Contributions	17,964	-	17,964	18,960
Special events (net of direct expenses of \$25,050 and \$72,505)	34,403	-	34,403	130,442
Investment return	40,643	-	40,643	7,591
Net assets released from restrictions	15,748	(15,748)	-	
	\$ 8,771,165	\$ 1,031	\$ 8,772,196	\$ 8,577,582
EXPENSES				
Program services	\$ 6,800,966	\$ -	\$ 6,800,966	\$ 6,658,665
Supporting services				
Management and general	713,618	-	713,618	686,611
Fundraising	28,004	-	28,004	114,342
	7,542,588	-	7,542,588	7,459,618
Unallocated payments to national UCP	20,000	-	20,000	20,000
	\$ 7,562,588	\$ -	\$ 7,562,588	\$ 7,479,618
Change in net assets	\$ 1,208,577	\$ 1,031	\$ 1,209,608	\$ 1,097,964
Net assets, beginning of year	4,780,170	1,636	4,781,806	3,683,842
Net assets, end of year	\$ 5,988,747	\$ 2,667	\$ 5,991,414	\$ 4,781,806

See Notes to Financial Statements.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020
(With Comparative Totals For June 30, 2019)**

	Program Services						
	Adult Day Program	Stockton Adult Dev. Center	Manteca Adult Dev. Center	Supported Employment Program	Independent Living Program	Early/Creative Intervention Program	Great Beginnings
Salaries	\$ 916,083	\$ 747,757	\$ 345,696	\$ 339,040	\$ 646,511	\$ 829,957	\$ 196,944
Payroll taxes	67,923	56,336	25,512	25,492	46,117	58,737	15,327
Benefits	85,725	33,201	28,448	18,834	56,996	41,920	32,341
Workers comp insurance	14,685	12,277	5,250	14,279	9,044	9,829	2,739
Total personnel costs	\$ 1,084,416	\$ 849,571	\$ 404,906	\$ 397,645	\$ 758,668	\$ 940,443	\$ 247,351
Contracted services	20,790	18,446	4,280	3,664	8,804	3,942	5,455
Office expenses and supplies	47,246	23,714	13,886	3,621	7,951	20,764	2,163
Telephone and utilities	27,897	22,959	11,539	4,094	10,934	5,040	1,065
Insurance	14,390	12,248	6,543	7,008	6,269	6,162	1,874
Licenses and fees	7,937	5,257	1,899	1,271	1,286	1,214	-
Postage	218	199	91	137	146	145	64
Rent	33,581	93,201	64,200	371	-	50,781	14,779
Printing and publications	3,125	662	365	381	657	91	11
Rehabilitation and education	2,952	2,675	879	1,339	33	1,660	5,908
Travel and conferences	1,453	1,445	4,060	21,381	19,492	45,425	5,620
Equipment maintenance	18,855	6,752	626	1,056	2,314	2,225	1,055
Other	4,244	1,368	8,754	1,178	817	395	7
Depreciation and amortization	22,396	1,133	12,162	7,362	5,792	652	104
Total expenses	\$ 1,289,500	\$ 1,039,630	\$ 534,190	\$ 450,508	\$ 823,163	\$ 1,078,939	\$ 285,456
Less special events expenses netted with revenues	-	-	-	-	-	-	-
Total expenses	\$ 1,289,500	\$ 1,039,630	\$ 534,190	\$ 450,508	\$ 823,163	\$ 1,078,939	\$ 285,456

See Notes to Financial Statements.

Supporting Services

Respite	Tracy	TRACS	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Expenses	
							2020	2019
\$ 204,653	\$ 507,485	\$ 152,075	\$ 4,886,201	\$ 490,169	\$ 13,733	\$ 503,902	\$ 5,390,103	\$ 5,275,963
15,147	37,591	11,797	359,979	34,711	1,457	36,168	396,147	380,711
9,861	46,185	14,147	367,658	35,918	679	36,597	404,255	404,158
3,292	9,763	3,428	84,586	2,862	187	3,049	87,635	92,019
\$ 232,953	\$ 601,024	\$ 181,447	\$ 5,698,424	\$ 563,660	\$ 16,056	\$ 579,716	\$ 6,278,140	\$ 6,152,851
9,591	13,183	1,358	89,513	48,893	325	49,218	138,731	152,641
2,147	7,060	1,546	130,098	22,217	22,873	45,090	175,188	221,182
5,443	13,887	1,557	104,415	17,502	1,450	18,952	123,367	123,167
4,703	13,423	2,149	74,769	2,572	525	3,097	77,866	74,269
3,799	3,136	3,303	29,102	6,756	39	6,795	35,897	55,384
110	145	81	1,336	64	154	218	1,554	2,048
-	78,502	14,305	349,720	372	-	372	350,092	345,702
153	1,138	30	6,613	1,398	128	1,526	8,139	12,612
846	3,590	22,504	42,386	-	4,371	4,371	46,757	22,785
27,125	16,587	6,337	148,925	7,841	1,066	8,907	157,832	204,654
470	9,917	746	44,016	5,752	423	6,175	50,191	35,539
489	1,528	76	18,857	15,605	4,432	20,037	38,894	36,281
1,078	11,902	211	62,792	20,986	1,212	22,198	84,990	93,008
\$ 288,907	\$ 775,022	\$ 235,650	\$ 6,800,966	\$ 713,618	\$ 53,054	\$ 766,672	\$ 7,567,638	\$ 7,532,123
-	-	-	-	-	(25,050)	(25,050)	(25,050)	(72,505)
\$ 288,907	\$ 775,022	\$ 235,650	\$ 6,800,966	\$ 713,618	\$ 28,004	\$ 741,622	\$ 7,542,588	\$ 7,459,618

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)
STATEMENT OF CASH FLOWS
Year Ended June 30, 2020
(With Comparative Totals For June 30, 2019)**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,209,608	\$ 1,097,964
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	84,990	93,008
Changes in assets and liabilities:		
(Increase) decrease:		
Accounts receivable	(99,059)	8,310
Prepaid expenses	24,540	(26,204)
Increase (decrease):		
Accounts payable	(19,506)	7,127
Accrued payroll	42,837	3,219
Accrued vacation	24,935	45,410
Net cash provided by operating activities	\$ 1,268,345	\$ 1,228,834
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	\$ (51,147)	\$ (5,456)
Net cash (used in) investing activities	\$ (51,147)	\$ (5,456)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	\$ 1,156,157	\$ -
Net cash provided by financing activities	\$ 1,156,157	\$ -
Net increase in cash	\$ 2,373,354	\$ 1,223,377
CASH AT BEGINNING OF YEAR	3,740,105	2,516,728
CASH AT END OF YEAR	\$ 6,113,459	\$ 3,740,105

See Notes to Financial Statements.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

United Cerebral Palsy of San Joaquin, Calaveras, Amador Counties (UCP) offers programs to affect positively the quality of life for persons with cerebral palsy, those with other severe disabilities and multiple service needs, and their families. Programs include job placement and training, family support network and activity centers where participants with cerebral palsy or related disabilities develop skills and receive training to assist them in experiencing life to its fullest.

This summary of significant accounting policies of UCP is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

ORGANIZATION

UCP is a nonprofit, voluntary health agency exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation.

BASIS OF PRESENTATION

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

Net Assets Without Donor Restriction - 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. These net assets may be used at the discretion of the Organization's management and the board of directors

Net Assets With Donor Restriction - Net assets 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 passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (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. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Organization estimates doubtful accounts based on historical bad debts, factors related to the specific payer's ability to pay, and current economic trends. Receivables are written off when a balance is determined to be uncollectible. No allowance is established at June 30, 2020 as management believes all amounts are collectible.

PROPERTY AND EQUIPMENT, NET

Purchased property and equipment is recorded at cost and donated equipment at its fair market value at the date of donation. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed.

DEPRECIATION AND AMORTIZATION

Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets.

CONTRIBUTIONS

All contributions are considered available for unrestricted use, unless specifically restricted by donor.

DONATED SERVICES

A substantial number of volunteers donated significant amounts of their time in the Organization's behalf; however, amounts have not been reflected in the statements for donated services since an objective basis is not available to measure the value of such services.

ALLOCATED EXPENSES

The costs of providing services of the Organization have been summarized on a functional basis in the statement of functional expenses. Management and general expenses have been allocated among the programs based upon an estimation of personnel time and space utilized for the related activities.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity date of less than 90 days to be cash equivalents. Cash in bank accounts are insured by the FDIC up to \$250,000 for each bank. As of June 30, 2020, cash on deposit in excess of federally insured limits was \$3,594,350.

ESTIMATES

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

ACCUMULATED VACATION AND SICK LEAVE

Vacation

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The value of accumulated vacation at June 30, 2020 is \$215,327.

Sick Leave

Sick leave benefits are accumulated for each employee, but the employees do not gain a vested right to the accumulated sick leave.

Accumulated employee sick leave benefits are not recognized as liabilities of the Organization since payment of such benefits is not probable or estimable. Therefore, sick leave benefits are recorded as expenditures in the period sick leave is taken.

INVESTMENTS

The Organization's investments are stated at fair value in the statement of financial position, with all gains and losses included in the statement of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial instruments, including cash and cash equivalents, contribution and grants receivable, accounts payable and accrued vacation approximate their value due to the short-term maturities of these instruments.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAX STATUS

UCP is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization's tax filings are subject to audit by various taxing authorities. The Organization's federal tax returns for 2017, 2018 and 2019 remain open to examination by the Internal Revenue Service; state income tax returns for 2016, 2017, 2018 and 2019 are open to examination. In evaluating the Organization's tax provisions and accruals, the Organization believes that its estimates are appropriate based on current facts and circumstances.

NEW ACCOUNTING PRONOUNCEMENTS

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Management has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. ASU 2016-14 has no effect on the financial statements.

In November 2016, the FASB issued ASU 2016, Restricted Cash, as an update to ASC 230, Statement of Cash Flows. This update requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The updated guidance is effective for annual periods beginning after December 15, 2018. The new guidance was applied on a retrospective basis. The updated guidance results in a change in the statement of cash flows to include restricted cash and restricted cash equivalents. The Organization adopted this update in the fiscal year June 30, 2020 and there was no impact on the statements of cash flows.

In February 2016, FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires entities to recognize all leased assets as assets on the balance sheet with corresponding liability resulting in a gross up of the balance sheet. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 is effective for nonpublic business entities for the annual reporting period beginning after December 31, 2019. The requirements of this statement are effective for the Organization for the year ending June 30, 2020.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2018, FASB issued ASU 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard is intended to address questions stemming from ASU 2014-09, *Revenue from Contracts with Customers*, regarding its implications on the grants and contracts of not-for-profit organizations. The standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2019. The organization early adopted the new rule effective July 2019, and the adoption of the new rule did not have a material impact on the organization's financial condition, results of operations and cash flows.

NOTE 2. FIXED ASSETS

Fixed assets are stated at cost and summarized as follows:

	<u>June 30, 2020</u>	<u>Life</u>
Land	\$ 170,500	--
Building and improvements	1,188,067	15-40 Years
Furniture and equipment	206,259	5-10 Years
Vehicles	<u>503,707</u>	5 Years
	\$ 2,068,533	
Less: accumulated depreciation	<u>(1,508,464)</u>	
	<u>\$ 560,069</u>	

NOTE 3. FEES FROM GOVERNMENT AGENCIES/CONCENTRATION

UCP receives payments from Valley Mountain Regional Center (VMRC) for providing services to their clients. During the fiscal year ending June 30, 2020, UCP received \$7,818,736 from VMRC. VMRC provides approximately 90% of the total revenue for UCP and 77% of UCP's accounts receivable as of June 30, 2020. The programs' continuation is dependent on the continuing support of Valley Mountain Regional Center and the California Department of Developmental Services.

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
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NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020, the Organization had net assets with donor restrictions as follows:

Subject to expenditure for specified purpose:

Consumer equipment purchases	\$ 2,667
	<u>\$ 2,667</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2020:

Satisfaction of purpose restrictions:

Consumer equipment purchases	\$ 15,748
	<u>\$ 15,748</u>

NOTE 5. LEASES

The Organization leases office equipment under an operating lease expiring in July 2020 with monthly payments of \$905. UCP also leases office space under two different lease agreements with expiration dates ranging from August 2020 to June 2021 and total monthly payments of \$13,012.

The approximate future minimum lease payments under all operating leases with an initial or remaining non-cancellable term of one year or more are as follows at June 30:

For year ending June 30:

2021	\$ 79,524
	<u>\$ 79,524</u>

**UNITED CEREBRAL PALSY ASSOCIATION OF
SAN JOAQUIN, CALAVERAS, AMADOR COUNTIES
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

NOTE 6. EMPLOYEE BENEFIT PLAN

The Organization has a 401(k) defined contribution employee benefit plan which became effective in November 1997. All employees at least 21 years of age who have completed 60 days of service are eligible to participate. The plan was amended and restated on February 23, 2010, as a complete restatement of the prior plan, effective July 1, 2006. The plan's employer matching provision calls for an annual discretionary match. Per board resolution, effective July 1, 2014, UCP will match employee contributions equal to 50% of the first 3% of gross wages. No employer contributions were made for the year ended June 30, 2020.

NOTE 7. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through February 18, 2021, the date the financial statements were available to be issued.

NOTE 8. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2020:

Financial assets at year end:	
Cash and equivalents	\$ 4,094,350
Accounts receivable, net	842,253
Investments	2,019,109
 Less: net assets with donor restrictions	 (2,667)
Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 6,953,045</u></u>

NOTE 9. PAYCHECK PROTECTION PROGRAM LOAN

In the early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred domestically in the United States, including mandates from federal, state, and local authorities, leading to an overall decline in economic activity. The ultimate impact of COVID-19 on the future financial performance of the Organization cannot be reasonably estimated at this time.

**UNITED CEREBRAL PALSY ASSOCIATION OF
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NOTES TO FINANCIAL STATEMENTS

NOTE 9. PAYCHECK PROTECTION PROGRAM LOAN (Continued)

The Organization received funding of \$1,156,157 in April 2020 under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) as part of the of the Paycheck Protection Program (PPP) to provide payroll assistance. The loan was forgiven subsequent to year end on November 3, 2020, but is recorded as a loan payable as of June 30, 2020.

Although the Organization was notified in November 2020 that their PPP loan was fully forgiven, the Organization believes it is probable that all or the majority of the PPP forgiveness will be billed by the Department of Health and Human Services.