Angela Hospice Home Care, Inc.

(a not-for-profit corporation)

Financial Report

June 30, 2021

Contents

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Independent Auditor's Report

To the Board of Directors
Angela Hospice Home Care, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Angela Hospice Home Care, Inc. (the "Organization"), which comprise the balance sheet as of June 30, 2021 and 2020 and the related statements of operations, changes in net assets, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements for the year ended June 30, 2020 were not audited under *Government Auditing Standards*.

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 Angela Hospice Home Care, Inc. as of June 30, 2021 and 2020 and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the Organization adopted the provisions of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective adoption method. Our opinion is not modified with respect to this matter.

To the Board of Directors
Angela Hospice Home Care, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 on our consideration of Angela Hospice Home Care, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Angela Hospice Home Care, Inc.'s internal control over financial reporting and compliance.

Plante & Moran, PLLC

November 16, 2021

Balance Sheet

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	$ 6,391,933	$ 5,085,824
Investments (Note 5)	7,697,087	6,101,119
Patient accounts receivable - Net (Note 3)	2,393,974	2,402,755
Contributions and grants receivable	119,852	154,903
Inventory	36,685	31,098
Prepaid expenses	215,516	668,625
Total current assets	16,855,047	14,444,324
Assets Limited as to Use (Note 5)	3,801,383	3,614,601
Property and Equipment - Net (Note 4)	14,843,238	15,222,547
Other Assets	9,725	7,443
Total assets	**$ 35,509,393**	**$ 33,288,915**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 878,341	$ 828,208
Current portion of note payable - Related party (Note 7)	236,253	229,280
Accrued liabilities:		
Accrued compensation and related liabilities	710,904	1,120,217
Deferred revenue - CARES Act Provider Relief Fund (Note 12)	-	635,764
Total current liabilities	1,825,498	2,813,469
Note Payable - Related party (Note 7)	752,725	988,979
Total liabilities	2,578,223	3,802,448
Net Assets		
Without donor restrictions	29,102,451	25,800,738
With donor restrictions (Notes 8 and 9)	3,828,719	3,685,729
Total net assets	32,931,170	29,486,467
Total liabilities and net assets	**$ 35,509,393**	**$ 33,288,915**

See notes to financial statements.

Statement of Operations

Years Ended June 30, 2021 and 2020

	2021	2020
Operating Revenue		
Net service revenue (Note 3)	$ 22,661,171	$ 22,132,017
Fundraising revenue	341,329	354,894
Memorials	1,057,604	1,399,023
Grants	133,352	147,203
Contributions - CARES Act Provider Relief Fund (Note 12)	635,764	426,586
Other revenue	1,519,480	10,395
Investment income	95,863	149,349
Net assets released from restrictions used in operations	873,504	181,595
Total operating revenue	27,318,067	24,801,062
Expenses		
Salaries and wages	11,939,615	11,866,363
Employee benefits and payroll taxes	3,391,228	3,388,653
Direct patient care	6,640,356	5,699,240
Plant operations and equipment rental	773,451	752,097
General and administrative expense	879,053	865,778
Depreciation	673,060	763,943
Interest	33,411	40,179
Bad debt expense	270,000	208,904
Fundraising expense	65,477	107,646
Total expenses	24,665,651	23,692,803
Other Income - Realized and unrealized gain on sale of investments	649,297	5,688
Increase in Net Assets without Donor Restrictions	**$ 3,301,713**	**$ 1,113,947**

See notes to financial statements.

Statement of Changes in Net Assets

Years Ended June 30, 2021 and 2020

	2021	2020
Increase in Net Assets without Donor Restrictions	$ 3,301,713	$ 1,113,947
Net Assets with Donor Restrictions		
Restricted contributions	1,000	26,000
Restricted investment income	71,440	90,629
Net realized and unrealized gains (losses) on investments	944,054	(23,927)
Net assets released from restrictions	(873,504)	(181,595)
Increase (decrease) in net assets with donor restrictions	142,990	(88,893)
Increase in Net Assets	3,444,703	1,025,054
Net Assets - Beginning of year	29,486,467	28,461,413
Net Assets - End of year	**$ 32,931,170**	**$ 29,486,467**

See notes to financial statements.

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 3,444,703	$ 1,025,054
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation expense	673,060	763,943
Net realized and unrealized (gains) losses on investments	(1,593,351)	18,239
Bad debt expense	270,000	208,904
Changes in operating assets and liabilities that (used) provided cash:		
Patient accounts receivable	(261,219)	1,067,006
Contributions and grants receivable	35,051	155,286
Prepaid expenses and other assets	450,827	(438,106)
Accounts payable	50,133	(65,735)
Accrued compensation and related liabilities	(409,313)	150,369
Inventory	(5,587)	(5,968)
Deferred revenue - CARES Act Provider Relief Fund	(635,764)	635,764
Net cash provided by operating activities	2,018,540	3,514,756
Cash Flows from Investing Activities		
Purchase of property and equipment	(293,751)	(170,582)
Purchases of investments	(222,287)	(262,340)
Proceeds from sale of investments	32,888	56,297
Net cash used in investing activities	(483,150)	(376,625)
Cash Flows Used in Financing Activities - Principal payment on long-term debt - Related party	(229,281)	(222,513)
Net Increase in Cash	1,306,109	2,915,618
Cash - Beginning of year	5,085,824	2,170,206
Cash - End of year	**$ 6,391,933**	**$ 5,085,824**
Supplemental Cash Flow Information - Cash paid for interest	$ 33,411	$ 40,179

See notes to financial statements.

Note 1 - Nature of Business

Angela Hospice Home Care, Inc. (the "Organization"), a not-for-profit corporation, provides inpatient and home hospice services primarily to patients in southeastern Michigan. The Organization is sponsored by the Congregation of the Sisters of St. Felix of Cantalice (the "Felician Sisters"). The sole corporate member is Felician Services, Inc.

Angela Hospice Home Care, Inc. is dedicated to providing comprehensive, compassionate, and Christ-like care to adults and children in the communities it serves.

Note 2 - Significant Accounting Policies

Cash and Cash Equivalents

Cash balances held in the bank exceed the federal depository insurance limit. The Organization's cash is only insured up to the federal depository insurance limit of $250,000.

Certain amounts classified within investments and assets limited as to use on the balance sheet are invested in cash equivalents. The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Patient Accounts Receivable

Accounts receivable due from patients, insurance companies, and governmental agencies are based on net charges. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Organization's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period in which they are determined to be uncollectible.

Contributions and Grants Receivable

The Organization's contributions and grants receivable balance is composed of promises to give and grants, all of which are expected to be received within one year. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The Organization has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Investments

Investments are recorded at fair market value. See Note 5 for additional information. Investment income, including realized and unrealized gains and losses, is included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Assets Limited as to Use

Assets limited as to use represent balances relating to restricted endowment funds. See Note 5 for additional information.

Inventory

Inventories, which consist of medical and office supplies and pharmaceutical products, are stated at the lower of cost or net realizable value.

Property and Equipment

Property and equipment are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. Depreciation is computed principally on the straight-line basis over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Note 2 - Significant Accounting Policies (Continued)

Classification of Net Assets

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

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions

Net assets with donor restrictions - Net assets subject to donor- or certain grantor-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 must be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Retirement Plan

The Organization maintains a defined contribution plan covering all employees age 21 or over with at least one year of service. The Organization matched 10 percent of the employee deferrals for each of the years ended June 30, 2021 and 2020. The Organization contributed $56,693 and $48,225 during 2021 and 2020, respectively.

Net Service Revenue

Net service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for services provided. These amounts are due from patients or third-party payors and include variable consideration for retroactive revenue adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided by the Organization.

The majority of the Organization’s services represent a bundle of services that are not capable of being distinct and, as such, are treated as a single performance obligation satisfied over time as services are rendered. The Organization has concluded that each day that a patient receives services represents a separate contract and performance obligation based on the fact that patients have unilateral rights to terminate the contract after each day with no penalty or compensation due.

The Organization determines the transaction price based on contractually agreed-upon amounts or rates and implicit price concessions.

A summary of the payment arrangements with major third-party payors follows:

- Medicare - Services rendered to Medicare program beneficiaries are paid at prospectively determined rates.
- Medicaid - Services rendered to Medicaid program beneficiaries are paid at per diem rates prospectively determined.
- Insurance - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined daily rates.

Note 2 - Significant Accounting Policies (Continued)

The payment methodology related to these programs is based on cost and clinical assessments that are subject to review and final approval by Medicaid, Medicare, and insurance companies. Adjustments that result from this final review and approval are insignificant and are recognized in the period in which the adjustment is made. In the opinion of management, adequate provision has been made for any adjustments that may result from such third-party review.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Noncompliance with such laws and regulations may result in significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Variable consideration also exists in the form of settlements with third-party payors as a result of retroactive adjustments due to audits, reviews, or investigations. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity. The Organization has not applied a constraint to the transaction price for settlement estimates, as the Organization has determined that it is not probable that a significant reversal in the amount of the cumulative revenue recognized would occur in the future.

If actual amounts of consideration ultimately received differ from the Organization’s estimates, the Organization adjusts these estimates, which would affect revenue in the period such variance becomes known. Adjustments arising from a change in the transaction price were not significant in 2021 or 2020.

The Organization makes an initial and ongoing evaluation of a patient’s creditworthiness or obtains third-party verification of payment coverage and, as such, considers the credit risks it assumes and any billed amounts not expected to be collected from patients or third parties for services rendered to represent bad debt expense.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less.

Fundraising Revenue, Memorials, Grants, and Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promises are received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either without donor restrictions or with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 reported in the statement of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which they are received are reported as contributions without donor restrictions in the accompanying financial statements.

Note 2 - Significant Accounting Policies (Continued)

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports the expiration of donor restrictions when the assets are placed in service.

Grant revenue received for grants is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. Grant funding received in advance of conditions being met is recorded as deferred revenue.

Increase in Net Assets without Donor Restrictions

The statement of operations includes increase in net assets without donor restrictions, which is considered the performance indicator. Changes in net assets without donor restrictions, which are excluded from increase in net assets without donor restrictions, consistent with industry practice, include net assets released from restrictions for capital purposes.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in Note 10. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs have been allocated between the various program and support services based on estimates determined by management. Costs have been allocated between program and support services on a direct basis except for occupancy and IT-related expenses. Occupancy-related expenses are allocated based on an estimate of square footage occupied by each function, while IT-related expenses are allocated based on the number of computers used by each function. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation that applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The Organization estimates that it provided $349,728 and $409,255 of services to patients and members of the community during 2021 and 2020, respectively.

Income Taxes

The Internal Revenue Service has ruled that the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and, accordingly, no tax provision is reflected in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

During the year ended June 30, 2021, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all related amendments (ASC 606), which serve to supersede most existing revenue recognition guidance, including guidance specific to the health care industry. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted ASC 606 on July 1, 2020 using the modified retrospective transition method. The adoption had no impact on the previously recorded amounts as of July 1, 2020.

Upcoming Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented or the beginning of the year of adoption. The effect of applying the new lease guidance on the financial statements is not expected to be significant, as the Organization does not have significant leases. For leases the Organization enters into in the future, the Organization expects to capitalize the right to use the assets and recognize an obligation for the required lease payments.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including November 16, 2021, which is the date the financial statements were available to be issued.

Note 3 - Patient Accounts Receivable and Net Service Revenue

The details of patient accounts receivable are set forth below:

	2021	2020
Patient accounts receivable	$ 2,434,991	$ 2,509,218
Less allowance for uncollectible accounts	41,017	106,463
Net patient accounts receivable	$ 2,393,974	$ 2,402,755

The Organization grants credit without collateral to patients, most of whom are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	2021	2020
Medicare	59 %	56 %
Medicaid	6	5
Insurance and other	32	29
Private pay	3	10
Total	100 %	100 %

Note 3 - Patient Accounts Receivable and Net Service Revenue (Continued)

The Organization disaggregates revenue from contracts with customers by payor types. The Organization has determined that the disaggregation into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

The composition of net service revenue by primary payor for the years ended June 30 is as follows:

	2021	2020
Medicare	$ 16,679,444	$ 15,334,167
Medicaid	1,165,476	1,332,232
Insurance and other	3,271,183	3,969,953
Private pay	1,545,068	1,495,665
Total	$ 22,661,171	$ 22,132,017

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020	Depreciable Life - Years
Land	$ 2,944,500	$ 2,944,500	-
Buildings	17,449,889	17,449,889	15-40
Building improvements	1,565,265	1,349,741	5-40
Furniture and fixtures	1,718,382	1,703,045	3-15
Computer equipment and software	1,277,151	1,214,260	3-7
Total cost	24,955,187	24,661,435	
Accumulated depreciation	10,111,949	9,438,888	
Net property and equipment	$ 14,843,238	$ 15,222,547	

Note 5 - Investments and Assets Limited as to Use

Investments and assets limited as to use consist of the following at June 30, 2021:

	Investments	Assets Limited as to Use
Cash and cash equivalents	$ 615,172	$ -
Mutual funds - Equity	2,700,262	537,909
Mutual funds - Fixed income	1,531,212	1,104,405
Investment trust fund - Fixed income	1,816,009	852,798
Investment trust fund - Equity	1,034,432	1,306,271
Total	$ 7,697,087	$ 3,801,383

Note 5 - Investments and Assets Limited as to Use (Continued)

Investments and assets limited as to use consist of the following at June 30, 2020:

	Investments	Assets Limited as to Use
Cash and cash equivalents	$ 292,248	$ -
Commodities mutual funds	131,651	112,261
Fixed-income mutual funds	3,724,573	1,695,842
Equity mutual funds	1,718,600	1,667,632
Real estate mutual funds	234,047	138,866
Total	$ 6,101,119	$ 3,614,601

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

All investments and assets limited as to use held in mutual funds are classified as Level 1. The investment trust funds are all classified as Level 2.

The fair value of the investment trust funds at June 30, 2021 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments using the quoted market prices of the underlying equity securities held within these investment trust funds and other market data for the same or comparable underlying fixed-income securities held within these investment trust funds.

Note 6 - Bank Line of Credit

The Organization has executed a master revolving note agreement with a financial institution, which provides for a line of credit with a maximum borrowing capacity of $500,000. There were no outstanding balances on the line of credit at June 30, 2021 or 2020. Under the terms of the new master revolving note agreement, the line of credit accrues interest on outstanding balances at a variable rate of interest equal to the prime rate plus 0.5 percent (effectively 3.75 percent as of June 30, 2021). The master revolving note is collateralized by all personal property held by the Organization, including accounts receivable, inventory, investments, equipment, and fixtures.

Note 7 - Note Payable - Related Party

Long-term debt at June 30 is as follows:

	2021	2020
Note payable to Felician Sisters of North America Endowment Trust, a party related to the Organization's sponsor through common governance, for construction of the expanded facility. The note bears interest at a fixed rate of 3 percent, with monthly principal and interest totaling $21,891 through the date of maturity in June 2025. The note is unsecured	$ 988,978	$ 1,218,259
Less current portion	236,253	229,280
Long-term portion	$ 752,725	$ 988,979

Minimum principal payments at June 30 are as follows:

Years Ending	Amount
2022	$ 236,253
2023	243,439
2024	250,843
2025	258,443
Total	$ 988,978

Note 8 - Net Assets

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2021	2020
Subject to expenditures for a specified purpose:		
Accumulated earnings - Endowment fund	$ 319,424	$ 39,131
Accumulated earnings - Telehospice	-	93,511
M. George Education Donation	22,900	23,233
Faith Empowerment	4,436	47,895
Total subject to expenditures for a specified purpose	346,760	203,770
Restricted in perpetuity:		
Endowment fund - Program	1,481,959	1,481,959
Endowment - Telehospice	2,000,000	2,000,000
Total restricted in perpetuity	3,481,959	3,481,959
Total	$ 3,828,719	$ 3,685,729

Note 9 - Donor-restricted and Board-designated Endowments

The Organization's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

	Endowment Net Asset Composition by Type of Fund as of June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	$ -	$ 3,481,959	$ 3,481,959
Accumulated investment gains	-	319,424	319,424
Total	$ -	$ 3,801,383	$ 3,801,383

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ -	$ 3,614,601	$ 3,614,601
Investment return:			
Investment income	-	71,440	71,440
Net appreciation (realized and unrealized)	-	944,054	944,054
Total investment return	-	1,015,494	1,015,494
Appropriation of endowment assets for expenditure	-	(828,712)	(828,712)
Endowment net assets - End of year	$ -	$ 3,801,383	$ 3,801,383

Endowment Net Asset Composition by Type of Fund as of June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	$ -	$ 3,481,959	$ 3,481,959
Accumulated investment gains	-	132,642	132,642
Total	$ -	$ 3,614,601	$ 3,614,601

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ -	$ 3,636,749	$ 3,636,749
Investment return:			
Investment income	-	90,629	90,629
Net depreciation (realized and unrealized)	-	(23,926)	(23,926)
Total investment return	-	66,703	66,703
Appropriation of endowment assets for expenditure	-	(88,851)	(88,851)
Endowment net assets - End of year	$ -	$ 3,614,601	$ 3,614,601

Underwater Endowment Funds

As of June 30, 2021 and 2020, there were no funds with deficiencies.

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to achieve a return of 5 percent, net of inflation and investment expenses. The secondary investment objective is to earn a total return, net of expenses, at least equal to the portfolio's composite benchmark, as defined in its investment policy statement. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating 3 to 5 percent for distribution each year. The amount of the spending rate will be determined annually at budget time. The board of directors must authorize the use of any additional draw from the portfolio above the established 3 to 5 percent spending rate. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 10 - Functional Expenses

The Organization provides inpatient and home hospice services primarily to patients in southeastern Michigan. Expenses related to providing these services for the year ended June 30, 2021 are as follows:

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 9,439,258	$ 2,203,631	$ 296,726	$ 11,939,615
Employee benefit and payroll taxes	2,633,850	673,185	84,193	3,391,228
Direct patient care:				
Nursing home, hospital, and contracted services	2,409,632	-	-	2,409,632
Medical equipment and supplies	1,126,681	-	-	1,126,681
Pharmacy	853,468	-	-	853,468
Ambulance and mileage	299,316	-	-	299,316
Other	1,951,259	-	-	1,951,259
Depreciation	643,463	20,465	9,132	673,060
Equipment rental	41,789	14,975	-	56,764
Bad debt expense	270,000	-	-	270,000
Interest expense	33,411	-	-	33,411
Legal and accounting	-	6,379	-	6,379
Miscellaneous	21,119	485,596	73,439	580,154
Plant operations	655,443	28,041	33,203	716,687
Postage and printing	-	-	37,787	37,787
Supplies	81,377	52,720	28,001	162,098
Advertising	33,927	124,185	-	158,112
Total	$ 20,493,993	$ 3,609,177	$ 562,481	$ 24,665,651

Expenses related to providing these services for the year ended June 30, 2020 are as follows:

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 9,663,590	$ 1,919,727	$ 283,046	$ 11,866,363
Employee benefit and payroll taxes	2,706,474	592,015	90,164	3,388,653
Direct patient care:				
Nursing home, hospital, and contracted services	2,801,565	-	-	2,801,565
Medical equipment and supplies	1,156,145	-	-	1,156,145
Pharmacy	931,134	-	-	931,134
Ambulance and mileage	312,445	-	-	312,445
Other	497,951	-	-	497,951
Depreciation	730,350	23,228	10,365	763,943
Equipment rental	45,588	17,311	-	62,899
Interest expense	40,179	-	-	40,179
Legal and accounting	-	23,055	-	23,055
Miscellaneous	19,970	424,557	112,696	557,223
Plant operations	634,892	26,955	27,351	689,198
Postage and printing	-	-	42,328	42,328
Bad debt expense	208,904	-	-	208,904
Supplies	89,266	69,165	26,541	184,972
Advertising	-	165,846	-	165,846
Total	$ 19,838,453	$ 3,261,859	$ 592,491	$ 23,692,803

Note 11 - Liquidity and Availability of Resources

The Organization has $16,602,846 and $13,744,601 of financial assets available within one year of June 30, 2021 and 2020 to meet cash needs for general expenditure consisting of cash of $6,391,933 and $5,085,824, short-term investments of $7,697,087 and $6,101,119, patient accounts receivable of $2,393,974 and $2,402,755, and contributions and grants receivable of $119,852 and $154,903, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The patient accounts receivable and contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately $3,900,000 and $3,735,000 for the years ended June 30, 2021 and 2020, respectively. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various liquid and short-term investments.

Note 12 - COVID-19 and CARES Act Funding

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals in the United States and worldwide. In response, the United States federal government and individual state and local governments have implemented measures to combat the outbreak that have impacted health care business operations. During the last quarter of fiscal year 2020, the Organization’s operations were significantly impacted, as it experienced a decline in census, the corresponding net service revenue, and staffing levels.

CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020 and authorizes $100 billion to be administered through grants and other mechanisms to hospitals, public entities, not-for-profit entities, and Medicare- and Medicaid-enrolled suppliers and institutional providers. The purpose of these funds is to reimburse providers for lost revenue attributable to the coronavirus disease pandemic, such as forgone revenue from canceled procedures, and to provide support for related health care expenses, such as constructing temporary structures or emergency operation centers; retrofitting facilities; purchasing medical supplies and equipment, including personal protective equipment and testing supplies; and increasing workforce. Further, these relief funds ensure uninsured patients are receiving testing and treatment for COVID-19.

Provider Relief Fund

On April 10, 2020, the U.S. Department of Health and Human Services (HHS) began making payments to health care providers from the $100 billion appropriation. These are payments to health care providers that will not need to be repaid as long as the Organization complies with certain terms and conditions outlined by HHS.

During the years ended June 30, 2021 and 2020, the Organization received $0 and $1,062,350, respectively, of payments as part of general and targeted distributions of the CARES Act Provider Relief Fund.

Note 12 - COVID-19 and CARES Act Funding (Continued)

The Organization relied upon guidance issued by HHS through the date the financial statements are available to be issued. The terms and conditions first require the health care provider to identify health care-related expenses attributed to COVID-19 that no other source has reimbursed or is obligated to reimburse. If those expenses do not exceed the funding received, the health care provider then applies the funds to patient care lost revenue. HHS' June 11, 2021 notice, *Post-Payment Notice of Reporting Requirements*, provided health care providers three options to calculate patient care lost revenue. To determine the total distributions to be recognized as revenue as of June 30, 2021 and 2020, the Organization totaled unreimbursed related expenses attributed to COVID-19 and calculated patient care lost revenue based on the difference between actual quarterly patient care revenue for the relevant period and actual quarterly patient care revenue for the base period.

The Organization has recognized $635,764 and $426,586 as contributions - CARES Act Provider Relief Fund on the statement of operations for 2021 and 2020, respectively. The Organization has $0 and $635,764 recorded within deferred revenue - CARES Act Provider Relief Fund on the balance sheet as of June 30, 2021 and 2020, respectively, as the Organization has asserted it has not yet met all of the terms and conditions and restrictions for the CARES Act relative to these funds.

The initial estimate of the recognition of revenue related to the Provider Relief Fund was based upon guidance issued by HHS as of the date the financial statements were available to be issued for the year ended June 30, 2020. Subsequent to that period, HHS issued additional guidance to calculate lost revenue. These changes to the estimate are recorded prospectively as adjustments to contributions - CARES Act Provider Relief Fund. For the year ended June 30, 2021, there was no change in amounts recognized.

HHS' requirements for the uses of the CARES Act funds are subject to change and are open to interpretation and clarification; therefore, there may be changes in the amounts recognized as contributions during the years ended June 30, 2021 and 2020. Any changes in amounts recognized as a result of new guidance, interpretation, or clarification will be recognized in the period in which the change occurred.

Coronavirus Relief Fund

The CARES Act established the $150 billion Coronavirus Relief Fund, from which the U.S. Department of the Treasury has made payments to states and eligible units of local government. The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover qualified expenses, including necessary expenditures incurred as a result of COVID-19 and lost revenue.

During the years ended June 30, 2021 and 2020, the Organization received approximately $1,498,000 and $0, respectively, of payments as part of distributions of the CARES Act Coronavirus Relief Fund passed through the State of Michigan. The payments were reimbursements from the State of Michigan's Department of Health and Human Services (MDHHS) for COVID-19 testing costs incurred by the Organization. The Organization has recognized approximately $1,498,000 and $0 as grant income within other revenue on the statement of operations for 2021 and 2020, respectively, as it has asserted that it has met the conditions and restrictions outlined by MDHHS.

Angela Hospice Home Care, Inc.

Federal Awards Supplemental Information

June 30, 2021

Contents

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Angela Hospice Home Care, Inc.

We have audited the financial statements of Angela Hospice Home Care, Inc. as of and for the year ended June 30, 2021 and have issued our report thereon dated November 16, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to November 16, 2021.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

September 14, 2022

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Directors
Angela Hospice Home Care, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Angela Hospice Home Care, Inc. (the "Organization"), which comprise the balance sheet as of June 30, 2021 and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Directors
Angela Hospice Home Care, Inc.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

November 16, 2021

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Angela Hospice Home Care, Inc.

Report on Compliance for Each Major Federal Program

We have audited Angela Hospice Home Care, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

To the Board of Directors
Angela Hospice Home Care, Inc.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a material weakness.

The Organization's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

September 14, 2022

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services - COVID-19 - Provider Relief Fund	93.498	$ -	$ 1,062,350

See notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Angela Hospice Home Care, Inc. (the “Organization”) under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, operations, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures do not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather apply the U.S. Department of Health and Human Services' (HHS) guidance. For the Provider Relief Fund (PRF) program, HHS has indicated that the amounts on the Schedule should be reported in correspondence with reporting requirements of the HHS PRF Reporting Portal. Payments from HHS for PRF are assigned to one of five payment received periods based upon the date each PRF payment was received. Each period has a specified period of availability and timing of reporting requirements.

The Organization has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X None reported

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	X Yes	___ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	X None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	X Yes	___ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
93.498	COVID-19 - Provider Relief Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	___ Yes	X No

Section II - Financial Statement Audit Findings

None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section III - Federal Program Audit Findings

Reference Number	Finding
2021-001	**Assistance Listing Number, Federal Agency, and Program Name** - 93.498, U.S. Department of Health and Human Services, COVID-19 - Provider Relief Fund

Finding Type - Material weakness

Criteria - According to 2 CFR § 200.303, the Organization must establish and maintain effective internal controls over federal awards that provide reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition - The Organization does not have a review process in place related to the required reporting submissions to the U.S. Department of Health and Human Services for the Provider Relief Fund program.

Questioned Costs - None

Context - There was no independent review completed on the reporting submission to evaluate the completeness and accuracy of the submission.

Cause and Effect - The lack of an independent review of the reporting submission could result in an increased risk of incomplete or inaccurate information included in the reporting submission.

Recommendation - The Organization should implement a process to ensure an independent review of the reporting submission is completed prior to finalization.

Views of Responsible Officials and Corrective Action Plan - Management agrees with the finding and will implement a process to ensure an independent review of the reporting submission is completed prior to finalization.

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Angela Hospice Home Care, Inc.
Year Ended June 30, 2021
Corrective Action Plan
September 14, 2022

Finding Number: 2021-001

Condition: The Organization does not have a review process in place related to the required reporting submissions to the U.S. Department of Health and Human Services for the Provider Relief Fund program.

Planned Corrective Action: The Organization will implement a process to ensure an independent review of the reporting submissions is completed before they are finalized.

Contact person responsible for corrective action: Mark Hibbard, Chief Financial Officer

Anticipated Completion Date: 09/30/2022