

CANANDAIGUA COMFORT CARE HOME, INC.

FINANCIAL STATEMENTS

December 31, 2021



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Canandaigua Comfort Care Home, Inc.
Canandaigua, New York

We have reviewed the accompanying financial statements of Canandaigua Comfort Care Home, Inc. (a New York State nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2021 and 2020, and the related statements of activities - modified cash basis for the years then ended, the statement of functional expenses - modified cash basis for the year ended December 31, 2021, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of Canandaigua Comfort Care Home, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting, as described in Note 1.

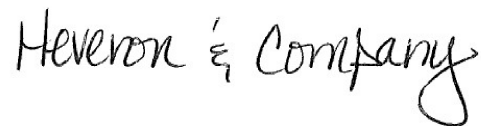


Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on Summarized Comparative Information

The prior year summarized comparative information contained in the statement of functional expenses - modified cash basis has been derived from Canandaigua Comfort Care Home, Inc.'s 2020 financial statements and, in our review report dated October 25, 2021, we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with the modified cash basis of accounting.



Heveron & Company
Certified Public Accountants

Rochester, New York
July 21, 2022

CANANDAIGUA COMFORT CARE HOME, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 310,459	\$ 354,542
<u>Property and Equipment</u>		
Land, Building, and Improvements	676,101	669,202
Furniture and Equipment	22,601	22,601
Less: Accumulated Depreciation	<u>(134,474)</u>	<u>(108,714)</u>
Net Property and Equipment	<u>564,228</u>	<u>583,089</u>
<u>Other Assets</u>		
Investments	<u>972,882</u>	<u>831,935</u>
TOTAL ASSETS	<u><u>1,847,569</u></u>	<u><u>1,769,566</u></u>

NET ASSETS

<u>Net Assets</u>		
Without Donor Restrictions:		
Undesignated	814,687	877,631
Board Designated - Capital Expenditures	60,000	60,000
Board Designated Quasi-Endowment	<u>972,882</u>	<u>831,935</u>
Total Net Assets Without Donor Restrictions	<u>1,847,569</u>	<u>1,769,566</u>
NET ASSETS	<u><u>\$1,847,569</u></u>	<u><u>\$1,769,566</u></u>

See Accompanying Notes to Financial Statements.

CANANDAIGUA COMFORT CARE HOME, INC.
STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS
For The Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Support and Revenue</u>		
Gifts, Grants and Contributions	\$ 277,340	\$ 493,258
Fund Raising Income	23,497	50,176
Net Return on Investments	<u>58,230</u>	<u>19,779</u>
Total Support and Revenue	<u>359,067</u>	<u>563,213</u>
<u>Expenses</u>		
Program Services	206,371	176,432
Supporting Services:		
Management and General	20,812	15,681
Fund Raising Expenses	<u>53,881</u>	<u>79,391</u>
Total Expenses	<u>281,064</u>	<u>271,504</u>
Change in Net Assets	78,003	291,709
Net Assets - Beginning of Year	<u>1,769,566</u>	<u>1,477,857</u>
Net Assets - End of Year	<u><u>\$1,847,569</u></u>	<u><u>\$1,769,566</u></u>

See Accompanying Notes to Financial Statements.

CANANDAIGUA COMFORT CARE HOME, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For The Year Ended December 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	<u>Totals</u>	
				<u>2021</u>	<u>2020</u>
Salaries and Wages	\$ 132,725	\$ 10,211	\$ 41,738	\$ 184,674	\$ 171,763
Payroll Taxes	<u>11,809</u>	<u>909</u>	<u>3,714</u>	<u>16,432</u>	<u>12,706</u>
Total Personnel Expenses	144,534	11,120	45,452	201,106	184,469
Depreciation	25,760	-	-	25,760	25,760
Insurance	9,850	758	3,097	13,705	12,455
Supplies	6,011	1,820	5,332	13,163	21,879
Repairs and Maintenance	9,008	-	-	9,008	11,605
Utilities	7,311	-	-	7,311	5,498
Professional Fees	-	5,675	-	5,675	6,545
Education and Training	1,871	-	-	1,871	-
Marketing	1,845	-	-	1,845	778
Other	<u>181</u>	<u>1,439</u>	<u>-</u>	<u>1,620</u>	<u>2,515</u>
Total Expenses	<u>\$ 206,371</u>	<u>\$ 20,812</u>	<u>\$ 53,881</u>	<u>\$ 281,064</u>	<u>\$ 271,504</u>

See Accompanying Notes to Financial Statements.

CANANDAIGUA COMFORT CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Canandaigua Comfort Care Home, Inc. (the Organization) is a New York not-for-profit organization that provides a two-bed, private home, free of charge for individuals who are in the last few months of their lives. Operations began in July 2016. The Organization's support comes primarily from contributions.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting include capitalizing and recording depreciation on property and equipment. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

The Organization reports information regarding its financial position and activities according to 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 restrictions. The governing board has designated, from net assets without donor restrictions, net assets for future capital expenditures and board-designated endowment.

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

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

There were no net assets with donor restrictions at December 31, 2021 and 2020.

CANANDAIGUA COMFORT CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows.

	<u>Years</u>
Building and Improvements	27.5
Furniture and Equipment	7

Depreciation expense amounted to \$25,760 for the years ending December 31, 2021 and 2020.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash include all cash on hand and in banks, which at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents, and restricted cash. There was no restricted cash at December 31, 2021 and 2020.

Cash and cash equivalents consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Checking	\$ 25,629	\$ 22,477
Money Market	<u>284,830</u>	<u>332,065</u>
Total	<u>\$ 310,459</u>	<u>\$ 354,542</u>

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

CANANDAIGUA COMFORT CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services, management and general, and fundraising categories. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, supplies, insurance, and other, which are allocated on the basis of time and effort.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at December 31, 2021 and 2020, and the reported amounts of support, revenue and expenses for the years then ended. Actual results could vary from those estimates.

Contributions

The Organization recognizes contributions when received.

Investments

Investments are recorded at cost.

NOTE 2 - LIQUIDITY AND AVAILABILITY

At December 31, 2021 and 2020, respectively, total current assets of \$310,459 and \$354,542, less \$60,000 which the board has designated for capital expenditures, will be available for general expenditures, such as operating expenses, within one year of the balance sheet date. Contributions and fundraising income will also be used for general expenditures.

Although the board has designated funds for specific uses, the board has the ability to make those funds available for general expenditures if necessary. The Organization also has a board-designated endowment of \$972,882 and \$831,935 as of December 31, 2021 and 2020, respectively. Although the Organization does not intend to spend from this board-designated endowment, these amounts could be made available if necessary.

CANANDAIGUA COMFORT CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 3 - DONATED SERVICES AND GOODS

The Organization receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under the modified cash basis of accounting, which is another comprehensive basis of accounting. During 2021 and 2020, approximately 75 and 110 active volunteers provided 3,500 and 3,066 hours of service, respectively.

NOTE 4 - INVESTMENTS

All investments are reported at cost. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date. These are not reflected in the financial statements.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

Investments are held in investment funds managed by professional investment advisors. A summary of investments at cost at December 31 are as follows:

	2021	2020
Money Market Fund	\$ 6,408	\$ 16,986
Mutual Funds	966,474	814,949
Total Investments	\$ 972,882	\$ 831,935

NOTE 5 - ENDOWMENTS

The Board of Directors has designated net assets without donor restrictions held for long-term investment as a board-designated quasi-endowment fund established to fund future operations. Since the amount resulted from an internal designation and is not donor-restricted, it is classified as net assets without donor restrictions.

Return Objectives and Risk Parameters

The Organization has adopted investment policies for endowment assets that attempt to provide an optimum stream of funding for programs supported by these investments, while seeking to maintain the historical value of those assets.

CANANDAIGUA COMFORT CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 5 - ENDOWMENTS (Continued)

Strategies Employed for Achieving Objectives

The policy approved by the Board requires that assets be invested in a combination of common stock, mutual funds and fixed income investments to produce a reasonable return and a low level of investment risk. The Organization expects to provide an average rate of return that exceeds inflation. Actual returns in any given year may vary from this amount.

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).

Spending Policy

The earnings on the quasi-endowment are not restricted and are expected to be used to support the Organization's programs as necessary in the future. Earnings include interest, dividends, and realized and unrealized gains, net of investment fees. The Board does not intend to take distributions from the endowment fund until after the fund has grown to a balance of one million. At that point, the Board will establish a spending policy permitting distributions as deemed appropriate.

Changes in endowment net assets as of December 31, 2021 are as follows:

	<u>Without Donor Restrictions</u>
Endowment Net Assets -	
Beginning of Year	\$ 831,935
Interest and Dividends	43,574
Realized Gains	24,543
Investment Fees	(9,918)
Additional Designations	<u>82,748</u>
Endowment Net Assets - End of Year	<u>\$ 972,882</u>

CANANDAIGUA COMFORT CARE HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 5 - ENDOWMENTS (Continued)

Changes in endowment net assets as of December 31, 2020 are as follows:

	<u>Without Donor Restrictions</u>
Endowment Net Assets -	
Beginning of Year	\$ 558,731
Interest and Dividends	16,204
Realized Gains	8,449
Investment Fees	(7,449)
Additional Designations	<u>256,000</u>
Endowment Net Assets - End of Year	<u><u>\$ 831,935</u></u>

All endowments are board-designated.

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 21, 2022, which is the date the statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue to have a negative impact on contributions, fundraising and investments. There continues to be considerable uncertainty around the duration. Therefore, the related financial impact and duration cannot be reasonably estimated at this time.