

Minnesota Network of Hospice and Palliative Care

Arden Hills, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
December 31, 2022 and 2021



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Minnesota Network of Hospice and Palliative Care
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Minnesota Network of Hospice and Palliative Care (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Network of Hospice and Palliative Care as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Network of Hospice and Palliative Care's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Minnesota Network of Hospice and Palliative Care's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Network of Hospice and Palliative Care's ability to continue as a going concern for a reasonable period of time.

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


Carpenter, Ewert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
June 1, 2023

EXHIBIT A

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Membership Income	\$ 204,232	\$ -	\$ 204,232	\$ 199,809	-	\$ 199,809
Grants and Contributions:						
Individual Contributions	107,746	-	107,746	67,111	-	67,111
Grants	-	70,000	70,000	54,727	-	54,727
Direct Mail Contributions	14,442	-	14,442	27,386	-	27,386
Total Grants and Contributions	122,188	70,000	192,188	149,224	-	149,224
Conference Income	118,143	-	118,143	170,095	-	170,095
Investment Income	(9,774)	-	(9,774)	9,344	-	9,344
Guidebook Sales	726	-	726	974	-	974
Miscellaneous	-	-	-	40	-	40
Total Support and Revenue	435,515	70,000	505,515	529,486	-	529,486
Expense:						
Program Services:						
Education and Advocacy	272,277	-	272,277	239,078	-	239,078
General Program Services	40,640	-	40,640	34,104	-	34,104
Total Program Expenses	312,917	-	312,917	273,182	-	273,182
Support Services:						
Management and General Fundraising	78,336	-	78,336	60,813	-	60,813
	25,523	-	25,523	22,379	-	22,379
Total Support Services	103,859	-	103,859	83,192	-	83,192
Total Expense	416,776	-	416,776	356,374	-	356,374
Change in Net Assets	18,739	70,000	88,739	173,112	-	173,112
Net Assets - Beginning of Year	427,712	-	427,712	254,600	-	254,600
Net Assets - End of Year	\$ 446,451	\$ 70,000	\$ 516,451	\$ 427,712	\$ -	\$ 427,712

The accompanying Notes to Financial Statements are an integral part of these statements.

EXHIBIT B

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR 2021

	2022						2021		
	Program Services			Support Services			Total All Services	Total All Services	Total All Services
	Education and Advocacy	General Program Services	Total Program Services	Management & General	Fundraising	Total Support Services			
Salaries	\$ 135,378	\$ 15,042	\$ 150,420	\$ 15,465	\$ 10,105	\$ 25,570	\$ 175,990	\$ 139,190	
Employee Benefits	11,993	1,696	13,689	2,265	937	3,202	16,891	11,740	
Payroll Taxes	9,590	1,487	11,077	1,136	1,641	2,777	13,854	10,996	
Total Personnel Costs	156,961	18,225	175,186	18,866	12,683	31,549	206,735	161,926	
Contract Services	54,129	2,486	56,615	6,062	275	6,337	62,952	79,770	
Professional Fees	14,973	6,240	21,213	2,495	1,248	3,743	24,956	18,457	
Honorariums	18,397	3,028	21,425	-	-	-	21,425	16,000	
Dues and Subscriptions	16,244	498	16,742	1,989	1,262	3,251	19,993	13,327	
Office Space	4,313	5,631	9,944	5,553	4,074	9,627	19,571	18,876	
Miscellaneous	-	-	-	13,636	-	13,636	13,636	7,148	
Fees and Licenses	7,260	3,025	10,285	1,210	605	1,815	12,100	12,782	
Space Rentals/Catering	-	-	-	11,408	-	11,408	11,408	-	
Repairs and Maintenance	-	-	-	9,332	-	9,332	9,332	11,583	
Insurance	-	-	-	5,499	-	5,499	5,499	5,364	
Printing	-	1,028	1,028	1,382	2,746	4,128	5,156	2,293	
Postage	-	479	479	793	2,156	2,949	3,428	2,904	
Direct Mail	-	-	-	-	474	474	474	2,706	
Advertising	-	-	-	111	-	111	111	3,238	
Total Expense	\$ 272,277	\$ 40,640	\$ 312,917	\$ 78,336	\$ 25,523	\$ 103,859	\$ 416,776	\$ 356,374	

The accompanying Notes to Financial Statements
are an integral part of this statement.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services		Support Services			Total All Services
	Education and Advocacy	General Program Services	Total Program Services	Management & General	Fundraising	
Salaries	\$ 107,070	\$ 11,897	\$ 118,967	\$ 12,231	\$ 7,992	\$ 20,223
Employee Benefits	8,336	1,179	9,515	1,574	651	2,225
Payroll Taxes	7,612	1,180	8,792	902	1,302	2,204
Total Personnel Costs	123,018	14,256	137,274	14,707	9,945	24,652
Contract Services	68,590	3,150	71,740	7,681	349	8,030
Professional Fees	11,074	4,615	15,689	1,845	923	2,768
Honorariums	13,739	2,261	16,000	-	-	-
Dues and Subscriptions	10,828	332	11,160	1,326	841	2,167
Office Space	4,160	5,431	9,591	5,356	3,929	9,285
Miscellaneous	-	-	-	7,148	-	7,148
Fees and Licenses	7,669	3,196	10,865	1,278	639	1,917
Repairs and Maintenance	-	-	-	11,583	-	11,583
Insurance	-	-	-	5,364	-	5,364
Printing	-	457	457	615	1,221	1,836
Postage	-	406	406	672	1,826	2,498
Direct Mail	-	-	-	-	2,706	2,706
Advertising	-	-	-	3,238	-	3,238
Total Expense	\$ 239,078	\$ 34,104	\$ 273,182	\$ 60,813	\$ 22,379	\$ 83,192
						\$ 356,374

The accompanying Notes to Financial Statements
are an integral part of this statement.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 448,542	\$ 425,502
Investments	110,142	120,481
Grants and Contributions Receivable	2,812	4,062
Prepaid Expense	15,556	4,612
Right of Use Asset	20,754	-
Total Current Assets	<u>597,806</u>	<u>554,657</u>
Property and Equipment - Net	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 597,806</u>	<u>\$ 554,657</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 477	\$ 12,291
Payroll Taxes Accrued and Withheld	1,587	1,289
Accrued Salaries and Vacation	20,012	16,443
Deferred Revenue	38,303	96,922
Operating Lease Liability	19,326	-
Total Current Liabilities	<u>79,705</u>	<u>126,945</u>
Operating Lease Liability	<u>1,650</u>	<u>-</u>
Total Liabilities	<u>81,355</u>	<u>126,945</u>
Net Assets:		
Without Donor Restrictions		
Designated	1,000	1,000
Undesignated	445,451	426,712
Total Net Assets Without Donor Restrictions	<u>446,451</u>	<u>427,712</u>
With Donor Restrictions	<u>70,000</u>	<u>-</u>
Total Net Assets	<u>516,451</u>	<u>427,712</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 597,806</u>	<u>\$ 554,657</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

<u>Increase (Decrease) in Cash</u>	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 88,739	\$ 173,112
Total Adjustments	<u>(62,801)</u>	<u>57,743</u>
Net Cash Provided by Operating Activities	25,938	230,855
Cash Flows from Investing Activities:		
Purchase of Investments	<u>(2,898)</u>	<u>(2,980)</u>
Net Cash (Used) by Investing Activities	(2,898)	(2,980)
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net Increase in Cash	23,040	227,875
Cash - Beginning of Year	<u>425,502</u>	<u>197,627</u>
Cash - End of Year	<u>\$ 448,542</u>	<u>\$ 425,502</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Summary of Significant Accounting Policies

Organizational Purpose

Minnesota Network of Hospice and Palliative Care (MNHPC) strives to ensure that everyone has the help they need to live and die according to their wishes. MNHPC provides education and advocacy around serious illness and end-of-life care.

MNHPC works with health care professionals to provide the tools, resources, and support they need to deliver high quality serious illness and end-of-life care, and MNHPC works with patients, families, and caregivers to offer information about medical and social services and supports that are available to help families through some of the most difficult times in their lives.

MNHPC delivers education through written and digital resources, a website, Helpline, media articles, workshops, webinars, and conferences. MNHPC also provides technical assistance about rules, regulations, and best practices to palliative care and hospice providers.

During the past year, MNHPC has had the following results:

Education and Advocacy– Provided educational opportunities for over 1,000 participants, including health care professionals and the public and convened stakeholders for two Serious Illness Action Network Forums that were designed to educate and solicit recommendations to improve serious illness care in Minnesota.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to MNHPC, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and purpose. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as net assets without donor restrictions.

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. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Investments

MNHPC carries its investments at market value.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In 2022, MNHPC adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. MNHPC elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

MNHPC has also has adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as management believes the standards improve the usefulness and understandability of the MNHPC's financial reporting. The ASU has been applied retrospectively for the periods ended December 31, 2022 and 2021, as required.

Revenue and Revenue Recognition

Membership dues are recognized equally over the period of the membership.

Conference income is recognized when the performance obligation of transferring services are met.

Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. In the year ended December 31, 2021, grants and contributions include a \$34,727 PPP SBA loan that was received and forgiven during that year.

Deferred revenue consists of prepaid conference registrations and membership dues that pertain to the next fiscal year. The following provides information about significant changes in deferred revenue for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Deferred Revenue – Beginning of Year	\$ 96,922	\$ 62,769
Decreases due to revenue recognized	(96,922)	(62,769)
Increases due to cash received	<u>38,303</u>	<u>96,922</u>
Deferred Revenue – End of Year	<u>\$ 38,303</u>	<u>\$ 96,922</u>

Promises-To-Give (Grants and Contributions Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Doubtful Accounts

MNHPC extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and MNHPC does not charge interest on accounts receivable balances. MNHPC reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No accounts receivable exist as of December 31, 2022 and 2021, respectively.

Property and Equipment

All expenditures for property above \$3,000 are capitalized at cost if purchased, or an estimated market value if donated. Depreciation is provided through the use of the straight-line method.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$111 and \$3,238 for the years ended December 31, 2022 and 2021, respectively.

Functional Allocation of Expense

Expenses are recorded in the functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based upon the best estimates of management.

Income Tax

MNHPC has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. MNHPC's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. MNHPC continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, MNHPC annually files a Return of Organization Exempt From Income Tax (Form 990).

Subsequent Events

MNHPC has evaluated the effect that subsequent events would have on the financial statements through June 1, 2023 which is the date financial statements were available to be issued.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

Contributions of Nonfinancial Assets

MNHPC records contributions of nonfinancial assets at fair market value at date of donation. MNHPC's policy related to contributions of nonfinancial assets is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow MNHPC to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist. MNHPC did not receive any contributions of nonfinancial assets in both years ending December 31, 2022 and 2021.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Significant Concentrations of Credit Risk

MNHPC provides services within Minnesota. The amounts due for services provided are from individuals, or their third-party payors, substantially all of which are local residents. Grants receivable are from local institutions.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At December 31, 2022 and 2021 MNHPC held cash at a financial institution in excess of federally insured limits.

3. Investments

Investments were comprised of the following at:

	December 31,			
	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds	\$ 95,060	\$ 87,072	\$ 92,459	\$ 97,708
Money Market Funds	23,070	23,070	22,773	22,773
Total	\$ 118,130	\$ 110,142	\$ 115,232	\$ 120,481

MNHPC had investment income (loss) of (\$9,774) and \$9,344 for the years ending December 31, 2022 and 2021, respectively.

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

4. Fair Value

MNHPC adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at:

December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 87,072	\$ -	\$ -	\$ 87,072
Money Market Funds	23,070	-	-	23,070
Total	<u>\$ 110,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,142</u>

December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 97,708	\$ -	\$ -	\$ 97,708
Money Market Funds	22,773	-	-	22,773
Total	<u>\$ 120,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,481</u>

5. Designated Net Assets

Net asset without donor restriction designations consisted of the following as of:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Donor Software	<u>\$ 1,000</u>	<u>\$ 1,000</u>

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of:

	December 31,	
	2022	2021
Subject to expenditure for specified purpose:		
Community Outreach	\$ 70,000	\$ -

7. Leases

The MNHPC is a party to one operating lease for office space. As disclosed in Note 1, the MNHPC adopted FASB ASC 842 for the year ended December 31, 2022. The lease has a remaining term of two years.

As of December 31, 2022, the right-of-use (ROU) asset had a balance of \$20,754 as shown in current assets of the statement of financial position; the operating lease liability had a balance of \$19,326 and \$1,650 as shown in current and noncurrent liabilities of the statement of financial position, respectively. The lease asset and liability were calculated utilizing a risk free rate of 4.2%, which MNHPC has made an accounting policy to elect to use in lieu of the incremental borrowing rate.

Additional information about the MNHPC's lease is as follows for the year ended December 31, 2022:

<u>Lease Costs (included in occupancy):</u>	
Operating Lease Cost	\$ 17,994
 <u>Other Information:</u>	
Cash paid for amounts included in measuring operating lease liabilities:	
Operating cash flows from operating leases	\$ 17,772
Lease assets obtained in exchange for lease obligations:	
Operating leases	39,261
Weighted-average remaining lease term (years)	1.08
Weighted-average discount rate	4.2%

Maturities of operating lease liabilities as of December 31, 2022:

Year Ending December 31:	
2023	\$ 19,832
2024	1,656
Total Lease Payments	21,488
Less: Discount to Present Value	512
Present Value of Operating Lease Liabilities	\$ 20,976

MINNESOTA NETWORK OF HOSPICE AND PALLIATIVE CARE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. Retirement Plan

Employees of MNHPC may participate in an Internal Revenue Code 403(b) retirement savings plan. The plan is funded solely by employee contributions to the plan, pursuant to a salary reduction agreement.

9. Liquidity and Availability

The following represents MNHPC's financial assets at:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash	\$ 448,542	\$ 425,502
Investments	110,142	120,481
Grants and Contributions Receivable	<u>2,812</u>	<u>4,062</u>
Total Financial Assets	561,496	550,045
Less assets not available to be used for general expenditures within one year:		
Board Designated Net Assets	<u>1,000</u>	<u>1,000</u>
Financial assets available for general expenditures within one year	<u>\$ 560,496</u>	<u>\$ 549,045</u>

As part of MNHPC's liquidity plan, MNHPC has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

10. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities were as follows as of:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Unrealized (Gain) Loss on Investments	\$ 13,237	\$ (5,191)
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(11,814)	7,199
Payroll Taxes Accrued and Withheld	298	146
Accrued Salaries and Vacation	3,569	(3,895)
Deferred Revenue	(58,619)	34,153
Operating Lease Liability	20,976	-
Decreases (Increases) in Current Assets:		
Grants and Contributions Receivable	1,250	22,853
Accounts Receivable	-	2,652
Prepaid Expense	(10,944)	(174)
Right of Use Asset	<u>(20,754)</u>	<u>-</u>
Total Adjustments	<u>\$ (62,801)</u>	<u>\$ 57,743</u>