APLA Health & Wellness and The Global Forum on MSM & HIV (MSMGF)

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2020

AIDS Project Los Angeles, APLA Health & Wellness and The Global Forum on MSM & HIV (MSMGF)

June 30, 2020

Contents

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Independent Auditor's Report

Board of Directors
APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Los Angeles, California

We have audited the accompanying consolidated financial statements of APLA Health & Wellness and The Global Forum on MSM & HIV (MSMGF) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of APLA Health & Wellness and The Global Forum on MSM & HIV (MSMGF) as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in *Note 24* to the consolidated financial statements, in 2020, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. Our opinion is not modified with respect to these matters.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited the June 30, 2019, consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BKD, LLP

Springfield, Missouri
November 25, 2020

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Consolidated Statement of Financial Position
June 30, 2020
With Summarized Totals at June 30, 2019

Assets	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Cash and cash equivalents	$ 10,032,284	$ 940,178	$ 10,972,462	$ 9,084,699
Investments	507,499	-	507,499	2,379,909
Term endowment	-	2,617,480	2,617,480	2,571,269
Accounts receivable, net	5,906,615	-	5,906,615	3,762,154
Medi-Cal waiver receivable	444,414	-	444,414	416,880
Grants receivable	2,865,700	-	2,865,700	2,180,460
Contributions receivable	155,501	644,050	799,551	1,125,659
Prepaid expenses and other assets	303,969	-	303,969	343,065
Deposits	7,585,652	695,513	8,281,165	132,504
Inventories	244,111	-	244,111	201,971
Split-interest agreements	-	14,087	14,087	16,457
Property and equipment, net	3,454,841	104,487	3,559,328	3,433,540
Total assets	$ 31,500,586	$ 5,015,795	$ 36,516,381	$ 25,648,567
Liabilities and Net Assets				
Accounts payable	$ 3,001,333	$ -	$ 3,001,333	$ 2,331,762
Accrued expenses	2,087,989	-	2,087,989	1,479,316
Deferred revenue	1,327,578	-	1,327,578	969,978
Notes payable	4,859,490	-	4,859,490	409,490
Total liabilities	11,276,390	-	11,276,390	5,190,546
Net Assets				
Without donor restrictions				
Undesignated	13,350,404	-	13,350,404	11,339,458
Board designated	6,873,792	-	6,873,792	4,396,902
With donor restrictions	-	5,015,795	5,015,795	4,721,661
Total net assets	20,224,196	5,015,795	25,239,991	20,458,021
Total liabilities and net assets	$ 31,500,586	$ 5,015,795	$ 36,516,381	$ 25,648,567

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Consolidated Statement of Activities
Year Ended June 30, 2020
With Summarized Totals for the Year Ended June 30, 2019

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Revenues and Other Support				
Fundraising events	$ 1,245,633	$ -	$ 1,245,633	$ 1,437,269
Cost of direct donor benefits	(392,107)	-	(392,107)	(441,011)
Net fundraising events	853,526	-	853,526	996,258
Contribution revenue	2,144,263	1,713,528	3,857,791	4,336,726
Grant revenue	14,291,978	-	14,291,978	14,029,514
Net patient service revenue	37,270,259	-	37,270,259	27,971,550
Medi-Cal waiver revenue	2,226,382	-	2,226,382	1,972,490
Contributed goods and services	1,293,096	-	1,293,096	1,549,812
Other revenue	360,466	75,635	436,101	570,619
Investment return, net	87,770	186,107	273,877	285,309
Net assets released from restrictions	1,681,136	(1,681,136)	-	-
Total revenue and other support	60,208,876	294,134	60,503,010	51,712,278
Expenses				
Client support	6,128,369	-	6,128,369	5,136,274
Education	5,969,331	-	5,969,331	6,982,991
Clinical services	36,657,099	-	36,657,099	27,071,222
Government affairs	572,326	-	572,326	509,958
Total program services	49,327,125	-	49,327,125	39,700,445
Management and general	4,143,889	-	4,143,889	3,596,882
Fundraising	2,250,026	-	2,250,026	1,834,713
Total expenses	55,721,040	-	55,721,040	45,132,040
Change in Net Assets	4,487,836	294,134	4,781,970	6,580,238
Net Assets, Beginning of Year	15,736,360	4,721,661	20,458,021	13,877,783
Net Assets, End of Year	$ 20,224,196	$ 5,015,795	$ 25,239,991	$ 20,458,021

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Consolidated Statement of Functional Expenses
Year Ended June 30, 2020
With Summarized Totals for the Year Ended June 30, 2019

	Program Services					Supporting Services				
	Client Support	Education	Clinical Services	Government Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	2019 Total
Salaries and Related										
Salaries and wages	$ 2,021,065	$ 2,195,469	$ 9,990,037	$ 397,045	$ 14,603,616	$ 2,116,371	$ 1,025,880	$ 3,142,251	$ 17,745,867	$ 14,472,112
Employee benefits	517,447	535,243	2,214,463	73,764	3,340,917	359,580	207,051	566,631	3,907,548	3,197,974
Total personnel expenses	2,538,512	2,730,712	12,204,500	470,809	17,944,533	2,475,951	1,232,931	3,708,882	21,653,415	17,670,086
Purchased services and professional fees	991,907	2,185,657	1,263,445	24,932	4,465,941	221,138	470,896	692,034	5,157,975	4,896,382
Occupancy	530,908	339,814	1,530,643	30,976	2,432,341	199,443	104,589	304,032	2,736,373	2,683,090
Attendant care	-	-	1,679,495	-	1,679,495	-	-	-	1,679,495	1,332,191
Temporary help	54,313	47,172	284,453	-	385,938	21,020	95,772	116,792	502,730	760,244
Food supplies	1,465,122	-	-	-	1,465,122	-	-	-	1,465,122	960,699
Printing and duplication	28,430	26,758	56,076	1,895	113,159	9,352	49,635	58,987	172,146	180,025
Staff training, development, and travel	40,319	161,344	179,121	26,165	406,949	148,946	17,500	166,446	573,395	746,719
Depreciation	51,886	18,844	613,944	3,284	687,958	20,796	12,040	32,836	720,794	642,929
Support to other organizations	1,000	550	-	-	1,550	134,855	-	134,855	136,405	154,584
Promotion and outreach	106,865	245,204	81,960	5,082	439,111	120,899	128,744	249,643	688,754	684,093
Postage and delivery	133	1,667	1,060	2	2,862	10,613	4,715	15,328	18,190	20,924
Supplies, equipment rental, and maintenance	210,974	130,831	18,640,674	5,459	18,987,938	148,054	122,434	270,488	19,258,426	13,412,797
Accounting and legal	72,716	53,458	-	-	126,174	432,754	-	432,754	558,928	650,664
Insurance	-	3,645	100	-	3,745	144,496	285	144,781	148,526	120,504
Communications	35,284	23,675	121,628	3,722	184,309	20,379	10,485	30,864	215,173	203,652
Other	-	-	-	-	-	35,193	-	35,193	35,193	12,457
Total expenses	$ 6,128,369	$ 5,969,331	$ 36,657,099	$ 572,326	$ 49,327,125	$ 4,143,889	$ 2,250,026	$ 6,393,915	$ 55,721,040	$ 45,132,040

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Consolidated Statement of Cash Flows
Year Ended June 30, 2020
With Summarized Totals for the Year Ended June 30, 2019

	2020	2019
Operating Activities		
Change in net assets	$ 4,781,970	$ 6,580,238
Items not requiring (providing) cash		
Loss on disposal of property and equipment	-	12,457
Depreciation	720,794	642,929
Net realized and unrealized (gains) losses on investments	(114,310)	(173,317)
Amortization of notes payable through service credits	-	(20,000)
Change in value of split-interest agreements	2,370	1,703
Changes in		
Accounts receivable, net	(2,144,461)	(1,047,873)
Medi-Cal waiver receivable	(27,534)	535,889
Grants receivable	(685,240)	(99,862)
Contributions receivable	326,108	(136,435)
Deposits	(48,661)	14,562
Prepaid expenses and other assets	39,096	(130,720)
Inventories	(42,140)	(73,405)
Accounts payable and accrued expenses	1,278,244	1,470,969
Deferred revenue	357,600	(339,515)
Net cash provided by operating activities	4,443,836	7,237,620
Investing Activities		
Purchase of investments	(1,100,629)	(3,015,082)
Proceeds from sale of investments	3,041,138	2,574,139
Deposit for facility construction	(8,100,000)	-
Purchase of property and equipment	(846,582)	(1,801,896)
Proceeds from sale of property and equipment	-	4,740
Net cash used in investing activities	(7,006,073)	(2,238,099)
Financing Activities		
Proceeds from issuance of long-term debt	5,323,067	-
Principal payments on long-term debt	(873,067)	-
Net cash provided by financing activities	4,450,000	-
Increase in Cash and Cash Equivalents	1,887,763	4,999,521
Cash and Cash Equivalents, Beginning of Year	9,084,699	4,085,178
Cash and Cash Equivalents, End of Year	$ 10,972,462	$ 9,084,699

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Notes to Consolidated Financial Statements
June 30, 2020

Note 1: Nature of Operations

APLA Health & Wellness operates as APLA Health, the mission of which is to achieve health care equity and promote well-being for the LGBT and other underserved communities and people living with and affected by HIV.

History

The Organization was founded in 1982 by four friends who were alarmed by the sudden deaths in their communities and enraged at an unresponsive government. AIDS Project Los Angeles (the agency's predecessor organization) officially opened its doors in early 1983 and grew from a single telephone hotline operating out of a closet to a provider of comprehensive health and HIV support services, HIV testing and prevention education and government advocacy from 14 locations across Los Angeles County. APLA Dental Services was founded in 2004 to house the Organization's dental program for individuals living with HIV. In 2012, APLA Dental Services changed its name to APLA Health & Wellness and in 2014 became a Federally Qualified Health Center (FQHC) and began offering primary medical and HIV care and behavioral health services as well as dental services. On June 30, 2018, AIDS Project Los Angeles merged into APLA Health & Wellness.

Services for the Low-Income LGBT Community and People Living with HIV

APLA Health serves more than 18,000 people from 16 locations in Los Angeles County, and focuses on providing free or low-cost medical, dental, and behavioral health care to the LGBT community, as well as support services for those who are living with HIV. APLA Health's patient population is primarily people of color living at or below the federal poverty level who are facing multiple challenges in regard to their physical and mental health. As a FQHC, APLA Health provides medical, dental, and behavioral health care to the community at large, but with an expertise in the unique needs of LGBT individuals, regardless of their HIV status.

APLA Health operates two full-service health centers, offering primary medical care, oral health, and behavioral health services—the Gleicher/Chen Health Center in the Baldwin Hills neighborhood of South Los Angeles, and the Long Beach Health Center in downtown Long Beach, two communities with diverse LGBT residents that have also been hit hard by the HIV/AIDS epidemic. The Olympic Health Center, in the Fairfax-Carthay Circle neighborhood of Los Angeles, was added in December 2017, and offers primary medical care. Behavioral health services were added in January 2020 at a separate suite in the same building. In addition, the Organization offers oral health care from the Wilshire Dental Clinic in downtown Los Angeles.

The David Geffen Center in Mid-City offers behavioral health care services. For patients who are living with HIV, APLA Health provides specialized medical care from its Gleicher/Chen Health Center, Long Beach Health Center, and Olympic Health Center. The goal of APLA Health's HIV care services is to achieve an undetectable viral load. Maintaining an undetectable viral load helps the patient achieve the best health status possible as well as makes the patient unable to transmit HIV to sexual partners. This new strategy, Undetectable Equals Untransmittable (U=U), has the promise of helping to significantly reduce the number of new HIV infections and brings us one step closer to ending the AIDS epidemic.

APLA Health also provides a diverse array of social support services from multiple locations throughout the county. These services include housing support, home health care, benefits counseling, case management, a telephone information line, and groceries and nutrition counseling through its Vance North Necessities of Life Program food pantry network, the largest network of food pantries for people living with HIV in the country. The Organization also offers behavioral health care to people living with HIV from a West Hollywood satellite office.

STD Screening and Treatment, HIV Testing, PrEP and PEP Counseling, and Management, and HIV Prevention and Education

Since the beginning of the epidemic, APLA Health has delivered innovative HIV prevention programs that reduce infection rates through individual, group, and community-level activities. The Organization's prevention programs seek to prevent infections among those who are HIV-negative and reduce the risk of HIV transmission among people who are already living with the disease. These efforts target those at greatest risk of HIV infection, including gay and bisexual men, people of color, youth, transgender individuals, and those who struggle with addiction and mental health challenges. The Organization provides free HIV testing in three locations across the county, as well as free STD screening and treatment services at the Gleicher/Chen Health Center and the Long Beach Health Center.

Additionally, APLA Health is a trailblazer in the implementation of comprehensive biomedical HIV prevention programs that educate patients about pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) and offers them access to both. PrEP is a biomedical intervention in which a person takes a medication (currently Truvada and Descovy) daily to help prevent HIV infection. If taken correctly, PrEP is up to 99 percent effective in preventing HIV transmission. PEP is used in emergency situations and must be taken within 72 hours of possible exposure to HIV. This biomedical intervention requires the person to take Truvada and Descovy plus a second anti-retroviral medication for 28 days after possible exposure. Both PrEP and PEP are offered at the Gleicher/Chen Health Center, the Long Beach Health Center, and the Olympic Health Center.

Government Affairs

APLA Health's Government Affairs team works to advance LGBT and social justice initiatives, such as reducing health care disparities and advocates for optimal HIV/AIDS and health care policy, programs, funding, and legislation. Government Affairs also advocates for strengthening and expanding the nation's network of federally qualified health centers and increasing access to comprehensive health services for low-income, uninsured, and underserved individuals.

The Government Affairs staff works at all levels of government—local, county, state, and federal—meeting and speaking with elected officials, administrators, and other decision makers to ensure that people affected by HIV, LGBT individuals, and other underserved communities have access to the services they need for optimal health and well-being. Government Affairs also advocates for structural approaches to address social determinants of health including stigma, racism, homophobia and transphobia, poverty, and homelessness.

Government Affairs operates unilaterally and within a broad range of coalitions such as the California Alliance of HIV Advocates and AIDS United in Washington, D.C. APLA Health also works in conjunction with national, state, and regional primary care associations – including the National Association of Community Health Centers, the California Primary Care Association, and the Community Clinic Association of Los Angeles County – as well as other public and private sector organizations to expand health care access to all in need. It supports initiatives such as the Ryan White Program, prevention programs at the Centers for Disease Control and Prevention, Housing Opportunities for Persons with AIDS, the AIDS Drug Assistance Program and California PrEP Assistance Program, Medicaid, Medicare, the Health Center Program at the Health Resources and Services Administration, the 340B Drug Discount Program, and health care reform.

The Global Forum on MSM & HIV (doing business as MPact Global Action for Gay Men's Health and Rights "MPact")

MPact was founded in 2006 to address inequities in access to HIV prevention, care, and treatment programs among gay and bisexual men, and other men who have sex with men, while promoting their health and human rights worldwide. MPact has instigated and supports a global movement to address homophobic stigma and discrimination through strengthening public health policies and alleviating funding disparities. Working at the intersection between the HIV and LGBT rights sectors, MPact is directly linked to 120 CBOs across 62 countries. MPact conducts advocacy, delivers technical support, and manages subgrants with CBOs that work at the country level.

During the year that ended June 30, 2020, MPact delivered funding and technical assistance support to community-based organizations around the world primarily through Elton John AIDS Foundation, Bridging the Gaps, the Robert Carr Fund, and Global Fund. These efforts resulted in thousands of lesbian, gay, bisexual, and transgender people receiving sexual health services and hundreds of health professionals receiving technical training in gay men's health and rights. In addition, MPact created and disseminated numerous new publications.

Our work in FY20 resulted in important advocacy wins at the country, regional, and global levels including the United Nations on Universal Health Coverage and Sustainable Development Goals, the High-Level Political Forum, UNAIDS, World Health Organization, U.S. PEPFAR, the Global Fund, and health ministries.

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of APLA Health & Wellness and The Global Forum on MSM & HIV (MSMGF) (collectively, "the Organization"). A majority of The Global Forum on MSM & HIV (MSMGF) directors are designated by the APLA Health & Wellness board of directors. All material intercompany transactions and balances have been eliminated in consolidation.

Accounting Method

The Organization maintains its accounting records on an accrual method in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all liquid investments with initial maturities of three months or less to be cash equivalents. At June 30, 2020, cash equivalents consisted primarily of certificates of deposit.

At June 30, 2020, the Organization's cash accounts exceeded federally insured limits by approximately $9,351,000.

Investments

The Organization measures securities, other than investments that qualify for the equity method of accounting, at fair value.

The Organization measures equity securities and equity investments without a readily determinable fair value at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Accounts Receivable

Patient accounts receivable are recorded at their net realizable value. In evaluating the collectability of patient accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the amount it anticipates will be collected. Management regularly reviews data about these major payor sources of revenue in evaluating this calculation.

Inventories

The Organization values food supplies inventory at the lower of cost, determined using the first-in, first-out method, or net realizable value. Donated food inventory is valued at the wholesale price.

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Betterments, renewals, and extraordinary repairs that extend the life of the asset are capitalized. Repair and maintenance expenditures that increase the efficiency of the assets are expensed as incurred. As assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts and any gain or loss on disposition is recognized in the statement of activities.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and leasehold improvements	1 – 15 years
Equipment	1 – 7 years
Furniture and fixtures	1 – 10 years

Donations of property and equipment are reported at fair value as an increase in net assets without donor restrictions unless the donor restricts use of the assets. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in net assets without donor restrictions when the donated asset is placed in service. Donor restricted contributions for property and equipment whose restrictions are met within the same period as received are reported as contributions without donor restrictions.

Certain property and equipment have been purchased with grant funds received from governmental agencies. Such items may be reclaimed if not used to further the grant's objective.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the year ended June 30, 2020.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, and board-designated endowment. Net assets with donor restrictions are 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 be maintained in perpetuity.

Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Pharmacy Revenue

The Organization participates in the 340B Drug Discount Program which enables qualifying covered entities to purchase drugs from pharmaceutical suppliers at a substantial discount. The 340B Drug Discount Program is managed by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs. The Organization earns revenue under this program by purchasing pharmaceuticals at a reduced cost to fill prescriptions to qualified patients. The Organization has a network of participating pharmacies that dispense the pharmaceuticals to its patients under contract arrangements with the Organization. Reported 340B revenue consists of the gross pharmacy reimbursements. Pharmacy and third-party administrator fees are included in expenses. The 340B revenue is included in net patient service revenue on the statement of activities. The 340B expenses are included in supplies, equipment rental, and maintenance.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor 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 statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions from donor-restricted conditional grants having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Contributed Goods and Services

In-kind contributions are recorded at the estimated fair value. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contribution revenue recognized during the year ended June 30, 2020, from contributed goods and services consisted of:

Food supplies	$ 710,485
Professional volunteer hours	174,937
Legal services	388,552
Travel and transportation	19,122
	$ 1,293,096

Government Grants

Support funded by grants is generally considered a conditional contribution and recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Fundraising Expenses

Fundraising expenses are recognized as they are incurred.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Certain costs have been allocated among the program, management and general and fundraising services categories based on various methods. The statement of functional expenses present, by natural classification, the expenses of each program and support service.

Income Taxes

The Organization has been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

Note 3: Net Patient Service Revenue

The Organization is approved as a Federally Qualified Health Center (FQHC) for both Medicare and Medi-Cal reimbursement purposes. The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. These payment arrangements include:

Medicare. Covered FQHC services rendered to Medicare program beneficiaries are paid in accordance with provisions of Medicare's Prospective Payment System (PPS) for FQHCs. Medicare payments, including patient coinsurance, are paid on the lesser of the Organization's actual charge or the applicable PPS rate. Services not covered under the FQHC benefit are paid based on established fee schedules.

Medi-Cal. Covered FQHC services rendered to Medi-Cal program beneficiaries are paid based on a prospective reimbursement methodology. The Organization is reimbursed at a negotiated encounter rate, for each clinic site, for all services provided. Services not covered under the FQHC benefit are paid based on established fee schedules.

The Organization is required to submit an annual Medi-Cal Reconciliation Request Form, per site to the California Department of Health Care Services for purposes of determining whether it was paid appropriately for certain Medi-Cal visits. These annual reconciliations result in the determination of any underpayment or overpayment by the Medi-Cal program for the covered visits. The 2020 net patient service revenue includes approximately $395,000 for dates of service prior to the current year due to the finalization of one site's Medi-Cal PPS (prospective payment system) rate and the retroactive adjustment of all payments for that site back to August 2015.

Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change in the near term.

The Organization is a partner in the *My Health LA (MHLA)* program with the County of Los Angeles and has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per unit of service and discounts from established charges as well as capitation payments.

Patient service revenue, net of contractual allowances and discounts, recognized for the year ended June 30, 2020, was:

Medi-Cal	$ 6,445,542
Medicare	455,107
Third-party payors (including 340B and MHLA)	30,120,251
Patients	249,359
Total	$ 37,270,259

Note 4: Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2020, was:

Medi-Cal	19%
Third-party payors (including 340B and MHLA)	81%
	100%

Note 5: Investments

Investments, including term endowment funds, at June 30, 2020, consisted of the following:

Certificates of deposit	$ 507,499
Mutual funds	258,401
Equity securities	1,967,191
U.S. Treasury securities	263,089
Corporate debt securities	128,799
Total	$ 3,124,979

Note 6: Contributions Receivable

Contributions receivable consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	$ 155,501	$ 644,050	$ 799,551
Due in one to five years	-	-	-
	$ 155,501	$ 644,050	$ 799,551

Note 7: Conditional Gifts

The Organization has received the following conditional promises to give at June 30, 2020, that are not recognized in the financial statements:

Conditional promise to give upon incurring allowable expenditures under the agreement	$ 26,800,666

These conditional promises received generally represent awards from federal, state, and other agencies with periods of performance extending through February 28, 2023 (see *Note 24* regarding implementation of ASU 2018-08).

Note 8: Split-Interest Agreement

The California Community Foundation, on behalf of the Organization, has received donations of assets in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. At June 30, 2020, the Organization has recorded a receivable of $14,087, which reflects the fair market value of the donated assets, net of the annuitant liability, which is adjusted annually to reflect changes in life expectancies.

The Organization’s interest in the agreement above is included in the Organization’s financial statements as net assets with donor restrictions.

Note 9: Property and Equipment

Property and equipment at June 30, 2020, consisted of the following:

Buildings and leasehold improvements	$ 4,644,541
Equipment	982,482
Furniture and fixtures	474,775
Construction in progress	264,174
	6,365,972
Less: accumulated depreciation	2,806,644
Property and equipment - net	$ 3,559,328

Depreciation expense for the year ended June 30, 2020, was $720,794.

Note 10: Accrued Expenses

Accrued expenses at June 30, 2020, consisted of the following:

Accrued vacation	$ 982,082
Accrued payroll	769,213
Other accrued expenses	336,694
Total	$ 2,087,989

Note 11: Medical Malpractice Claims

The Organization purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Based upon the Organization's claim experience, no accrual has been made for the Organization's medical malpractice costs for the year ended June 30, 2020. However, because of the risk in providing health care services, it is possible that an event has occurred which will be the basis of a future material claim.

Note 12: Long-Term Debt

Note payable (A)	$ 129,490
Note payable (B)	280,000
Note payable (C)	2,500,000
Note payable (D)	1,950,000
	$ 4,859,490

(A) Note payable with the City of Los Angeles due in annual installments of $10,000, maturing in April 2031. The note bears no interest. The note is a service repayment loan that is forgiven annually subject to the property being used to provide low-income housing to people living with HIV/AIDS. No principal or interest is due prior to maturity as long as the property continues to be used for the intended purpose. The loan is secured by the property.

(B) Note payable with the State of California Department of Housing and Community Development, due June 2025, with interest-only payments and any unpaid principal and interest due at maturity. Note bears interest at 3.00 percent and is secured by the property.

(C) Note payable to bank; payable interest only through February 6, 2021, with interest at 3.09 percent; thereafter, the outstanding principal balance will be amortized over five years and principal will be payable in equal successive installments beginning March 6, 2021, with a final payment of all remaining unpaid principal due on February 6, 2024. Note payable was paid in full in October 2020 with funds drawn from a new $2,500,000 revolving bank line of credit that matures September 1, 2024. The line of credit bears interest at a rate tied to LIBOR and was 3.25 percent in November 2020 (see *Note 25)*.

(D) Note payable from the Paycheck Protection Program due April 2022; payable $1,625 monthly starting on August 19, 2021, including 1 percent interest if the loan is not forgiven. The Organization intends to apply for 100 percent loan forgiveness as loan proceeds were used to cover payroll costs and certain other expenses in accordance with the requirements of the Paycheck Protection Program. The lending bank is currently evaluating changing the repayment date until after the loan forgiveness is received.

Aggregate annual maturities of long-term debt at June 30, 2020, are:

2021	$ 10,000
2022	1,960,000
2023	10,000
2024	10,000
2025	2,790,000
Thereafter	79,490
	$ 4,859,490

Note 13: Net Assets with Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2020, are available for the following purposes:

Health education programs	$ 18,760
Term endowment fund (to support NOLP)	2,645,143
Split-interest agreements	14,087
Capacity building	201,626
Client/patient support programs	314,643
Global Forum on MSM & HIV (MSMGF)	721,536
New site construction	1,050,000
Other	50,000
	$ 5,015,795

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Purpose restrictions accomplished	
Health education programs	$ 48,740
Endowment released	149,351
Capacity building	81,374
Client/patient support programs	246,647
Global Forum programs	1,155,024
Total restrictions released	$ 1,681,136

Note 14: Term Endowment

In 2017, the Organization established a term endowment with funds distributed from a trust in which the Organization was named as a beneficiary. Per the terms of the trust agreement, the total funds distributed of $2,331,000 are to be held for a twenty-year period as a restricted fund. Investment return generated by the term endowment are to be used to support the Vance North Necessities of Life Program (NOLP). The balance of the restricted fund may be reduced below the value of the amounts originally contributed by market losses and by distributions under the Organization's spending policy. At the conclusion of the twenty-year period, the funds shall be considered an unrestricted asset of the Organization and used for general charitable purposes.

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment. 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 current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized) and targets a diversified asset allocation. During the year ended June 30, 2020, endowment assets generated an investment return totaling $186,107, which is included in net assets with donor restrictions at June 30, 2020.

Note 15: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020, comprise the following:

Financial assets at year-end	
Cash and cash equivalents	$ 10,972,462
Investments	507,499
Term endowment	2,617,480
Accounts receivable, net	5,906,615
Medi-Cal waiver receivable	444,414
Grants receivable	2,865,700
Contributions receivable	799,551
Total financial assets	24,113,721
Less amounts not available to be used within one year	
Cash and cash equivalents with donor restrictions	940,178
Term endowment	2,617,480
Contributions receivable	644,050
Financial assets not available to be used within one year	4,201,708
Financial assets available to meet general expenditures within one year	$ 19,912,013

The Organization has certain Board-designated assets which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above for financial assets meeting general expenditures within one year.

The Organization's endowment funds consist of donor-restricted endowments. As described in *Note 14*, income from donor-restricted endowments are not available for general expenditure if restricted for specific purposes.

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

Note 16: Operating Leases

The Organization has operating leases for certain facilities which expire in various years through 2032, including certain leases which were entered into subsequent to June 30, 2020. These leases generally contain renewal options for periods ranging from one to ten years.

Future minimum lease payments at June 30, 2020, are:

2021	$ 2,369,038
2022	2,141,021
2023	1,506,327
2024	622,259
2025	426,005
Thereafter	1,582,221
Future minimum lease payments	$ 8,646,871

Rent expense under operating leases totaled $2,240,213 for the year ended June 30, 2020.

Note 17: Retirement Plan

The Organization has a 403(b) defined contribution plan covering substantially all employees. The Organization provides a discretionary employer matching contribution. Matching contributions of $687,184 were recognized during the year ended June 30, 2020.

Note 18: Support to Other Organizations

It is the policy of the Board of Directors to support other service organizations whose goals are compatible with and whose services complement those of the Organization. In this regard, during the year ended June 30, 2020, the Organization contributed $136,405 to other service organizations.

Note 19: Allocation of Joint Costs

Through certain fundraising events, the Organization incurred joint costs of $637,231 to expand outreach focused on achieving health care equity and promoting well-being for the LGBT and other underserved communities, including people living with and affected by HIV/AIDS and to raise funds. Of those costs, $427,145 was allocated to fundraising expenses and $210,086 was allocated to program services.

Note 20: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

		Fair Value Measurements Using		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 258,401	$ 258,401	$ -	$ -
Equity securities				
Communication services	138,028	138,028	-	-
Consumer goods	294,961	294,961	-	-
Energy	38,832	38,832	-	-
Financial Services	335,483	335,483	-	-
Health care	259,065	259,065	-	-
Industrial and manufacturing	325,531	325,531	-	-
Technology	400,128	400,128	-	-
Utilities	24,289	24,289	-	-
Other	150,874	150,874	-	-
U.S. Treasury securities	263,089	263,089	-	-
Corporate debt securities	128,799	128,799	-	-
Negotiable certificates of deposit	507,499	507,499		
Split-interest agreements	14,087	-	-	14,087

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and would be classified as Level 2. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organization has no securities classified as Level 2.

Split-Interest Agreements

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Note 21: Construction in Progress

As of June 30, 2020, the Organization had construction in progress related to clinic construction and renovation. All projects are expected to be completed by April 2021 at a total cost of approximately $11,257,000. These projects are funded through general agency funds including assets without donor restrictions, restricted contributions, financing (see *Note 12*), and $8,100,000 in funds paid in advance for construction costs which is recorded in deposits on the consolidated statement of financial position.

Note 22: General Economic Conditions

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 23: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerability due to certain concentrations. Those matters include the following:

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, 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 and that such change could materially affect the amounts reported in the accompanying statement of financial position.

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Note 11*.

Litigation

In the normal course of business, the Organization is, from time to time, subject to allegations that may or do result in litigation. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

340B Drug Pricing Program

The Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA) is currently conducting routine audits of 340B programs at health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to the financial statement amounts related to the 340B Program could occur in the near term.

Note 24: Changes in Accounting Principles

Clarifying Contributions Received and Contributions Made

In 2020, the Organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* using a modified prospective basis to all agreements not completed as of July 1, 2019, or entered into after July 1, 2019. ASU 2018-08 clarifies existing guidance on determining whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how the Organization determines whether a resource provider (including a foundation, a government agency, or other) is receiving commensurate value in return for the resources transferred, and whether contributions are conditional or unconditional.

Adoption of ASU 2018-08 had no impact on the 2020 consolidated financial statements or the previously reported 2019 consolidated financial statements.

ASU 2016-01, Financial Instruments – Overall (Subtopic 865-10): Recognition and Measurement of Financial Assets and Financial Liabilities

On July 1, 2019, the Organization changed its accounting policy on financial assets and liabilities by adopting the provisions of ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This change was applied using a modified prospective method of adoption.

Adoption of ASU 2016-01 had no impact on the 2020 consolidated financial statements or the previously reported 2019 consolidated financial statements.

Note 25: Subsequent Events

Effective August 21, 2020, the Organization obtained a $2,500,000 revolving bank line of credit that matures September 1, 2024. The line of credit bears interest at a rate tied to LIBOR and interest is payable monthly. Proceeds from a draw on this line of credit were used to pay an outstanding note payable (see *Note 12).*

Subsequent events have been evaluated through November 25, 2020, which is the date the financial statements were available to be issued.

Note 26: Future Changes in Accounting Principles

Revenue Recognition

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment 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 those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for the Organization's annual period beginning after December 15, 2019. The Organization is in the process of evaluating the impact the amendment will have on the financial statements.

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021. The Organization is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have a material impact on the financial statements due to the recognition of additional assets and liabilities for operating leases.

Other Information

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Consolidating Schedule – Statement of Financial Position Information
June 30, 2020

	APLA Health & Wellness	The Global Forum on MSM & HIV (MSMGF)	Eliminating Entries	Consolidated Total
Assets				
Cash and cash equivalents	$ 10,174,908	$ 797,554	$ -	$ 10,972,462
Investments	507,499	-	-	507,499
Term endowment	2,617,480	-	-	2,617,480
Accounts receivable, net	5,898,508	8,107	-	5,906,615
Medi-Cal waiver receivable	444,414	-	-	444,414
Grants receivables	2,830,329	35,371	-	2,865,700
Contributions receivable	530,352	269,199	-	799,551
Prepaid expenses and other assets	274,300	29,669	-	303,969
Deposits	8,270,140	11,025	-	8,281,165
Inventories	244,111	-	-	244,111
Due from affiliate	1,443	-	(1,443)	-
Split interest agreements	14,087	-	-	14,087
Property and equipment, net	3,559,328	-	-	3,559,328
Total assets	$ 35,366,899	$ 1,150,925	$ (1,443)	$ 36,516,381
Liabilities and Net Assets				
Accounts payable	$ 2,935,588	$ 65,745	$ -	$ 3,001,333
Accrued expenses	1,924,615	163,374	-	2,087,989
Due to affiliate	-	1,443	(1,443)	-
Deferred revenue	715,878	611,700	-	1,327,578
Notes payable	4,859,490	-	-	4,859,490
Total liabilities	10,435,571	842,262	(1,443)	11,276,390
Net assets				
Without donor restriction				
Undesignated	13,763,277	(412,873)	-	13,350,404
Board designated	6,873,792	-	-	6,873,792
With donor restriction	4,294,259	721,536	-	5,015,795
Total net assets	24,931,328	308,663	-	25,239,991
Total liabilities and net assets	$ 35,366,899	$ 1,150,925	$ (1,443)	$ 36,516,381

APLA Health & Wellness and
The Global Forum on MSM & HIV (MSMGF)
Consolidating Schedule – Statement of Activities Information
June 30, 2020

	APLA Health & Wellness	The Global Forum on MSM & HIV (MSMGF)	Eliminating Entries	Consolidated Total
Revenues and Other Support				
Fundraising events	$ 1,245,633	$ -	$ -	$ 1,245,633
Cost of direct donor benefits	(392,107)	-	-	(392,107)
Net fundraising events	853,526	-	-	853,526
Contribution revenue	2,817,476	1,040,315	-	3,857,791
Grant revenue	11,896,931	2,395,047	-	14,291,978
Net patient service revenue	37,270,259	-	-	37,270,259
Medi-Cal waiver revenue	2,226,382	-	-	2,226,382
Contributed goods and services	1,275,928	17,168	-	1,293,096
Other revenue	354,734	81,367	-	436,101
Investment return	273,848	29	-	273,877
Total revenue and other support	56,969,084	3,533,926	-	60,503,010
Expenses and (Losses)				
Salaries and wages	16,595,001	1,150,866	-	17,745,867
Employee benefits	3,643,310	264,238	-	3,907,548
Purchased services and professional fees	3,198,719	1,959,256	-	5,157,975
Occupancy	2,654,680	81,693	-	2,736,373
Attendant care	1,679,495	-	-	1,679,495
Temporary help	502,730	-	-	502,730
Food supplies	1,465,122	-	-	1,465,122
Printing and duplication	171,753	393	-	172,146
Staff training, development, and travel	437,332	136,063	-	573,395
Depreciation	720,794	-	-	720,794
Support to other organizations	135,905	500	-	136,405
Promotion and outreach	679,222	9,532	-	688,754
Postage and delivery	18,190	-	-	18,190
Supplies, equipment rental, and				-
maintenance	19,238,781	19,645	-	19,258,426
Accounting and legal	505,470	53,458	-	558,928
Insurance	144,931	3,595	-	148,526
Communications	210,972	4,201	-	215,173
Other	35,193	-	-	35,193
Total expenses	52,037,600	3,683,440	-	55,721,040
Change in Net Assets	4,931,484	(149,514)	-	4,781,970
Net Assets, Beginning of Year	19,999,844	458,177	-	20,458,021
Net Assets, End of Year	$ 24,931,328	$ 308,663	$ -	$ 25,239,991