

**Hobe Sound Community Chest, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2021**

**Hobe Sound Community Chest, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2021**

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# Berger, Toombs, Elam, Gaines & Frank

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## Report of Independent Auditors

The Board of Directors  
Hobe Sound Community Chest, Inc.  
Hobe Sound, Florida

We have audited the accompanying statement of financial position of the Hobe Sound Community Chest, Inc. (the "Chest"), as of June 30, 2021 and the related statements of activities, functional expenses, cash flows and notes to financial statements for the year then ended.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



To the Board of Directors  
Hobe Sound Community Chest, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hobe Sound Community Chest, Inc. as of June 30, 2021, and the activities, cash flows and functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the Chest's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it is derived.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Stuart, Florida

October 15, 2021

**Hobe Sound Community Chest, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021**  
**(With Comparative Totals for 2020)**

	2021	2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,413,515	\$ 1,176,672
Prepaid and other assets	3,359	3,191
<b>Total current assets</b>	<b>1,416,874</b>	<b>1,179,863</b>
<b>Noncurrent assets</b>		
Pledges receivable	500	-
Investments, long term	2,870,154	3,064,318
Property and equipment, net of accumulated depreciation	9,863	11,298
<b>Total assets</b>	<b>\$ 4,297,391</b>	<b>\$ 4,255,479</b>
 <b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 28,213	\$ 9,607
Scholarships payable	72,500	54,000
<b>Total current liabilities</b>	<b>100,713</b>	<b>63,607</b>
<b>Net Assets</b>		
With Donor Restrictions	825,362	889,142
Without Donor Restrictions		
Designated for Strategic Reserve	2,688,177	2,532,130
Designated for Banner Lake Project	25,679	260,401
Unrestricted and undesignated	657,460	510,199
<b>Total net assets</b>	<b>4,196,678</b>	<b>4,191,872</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,297,391</b>	<b>\$ 4,255,479</b>

**Hobe Sound Community Chest, Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for 2020)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
<b>Revenues, public support and grants</b>				
<b>Revenues and public support:</b>				
Contributions and local awards	\$ 2,011,091	\$ 734,500	\$ 2,745,591	\$ 2,027,746
In-Kind donations	-	-	-	1,545
Investment income	597,703	84,698	682,401	153,441
Total revenues and public support	<u>2,608,794</u>	<u>819,198</u>	<u>3,427,992</u>	<u>2,182,732</u>
Net assets released from restrictions	<u>882,978</u>	<u>(882,978)</u>	<u>-</u>	<u>-</u>
Total revenues, public support, grants and contracts	<u>3,491,772</u>	<u>(63,780)</u>	<u>3,427,992</u>	<u>2,182,732</u>
<b>Expenses</b>				
<b>Program services</b>				
General operations	2,449,513	-	2,449,513	1,743,422
Hobe Sound Strong Start	758,892	-	758,892	-
Total program services	<u>3,208,405</u>	<u>-</u>	<u>3,208,405</u>	<u>1,743,422</u>
<b>Supporting services:</b>				
General and administrative	92,948	-	92,948	64,737
Fundraising activities	121,833	-	121,833	118,771
Total supporting services	<u>214,781</u>	<u>-</u>	<u>214,781</u>	<u>183,508</u>
Total expenses	<u>3,423,186</u>	<u>-</u>	<u>3,423,186</u>	<u>1,926,930</u>
Changes in net assets	68,586	(63,780)	4,806	255,802
Net assets - beginning of year	<u>3,302,730</u>	<u>889,142</u>	<u>4,191,872</u>	<u>3,936,070</u>
Net assets - end of year	<u>\$ 3,371,316</u>	<u>\$ 825,362</u>	<u>\$ 4,196,678</u>	<u>\$ 4,191,872</u>

*The accompanying notes are an integral part of these financial statements.*

**Hobe Sound Community Chest, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for 2020)**

	Program Services		Total Program Services	Support Services		Total Support Services	2021	2020
	General Operations	Hobe Sound Strong Start		General and Administrative	Fundraising			
Salaries and wages	\$ 32,423	\$ 49,365	81,788	\$ 27,019	\$ 48,634	\$ 75,653	\$ 157,441	115,919
Payroll taxes	2,543	3,739	6,282	2,119	3,813	5,932	12,214	9,011
Employee Benefits	5,204	3,950	9,154	4,337	7,806	12,143	21,297	15,348
	<u>40,170</u>	<u>57,054</u>	<u>97,224</u>	<u>33,475</u>	<u>60,253</u>	<u>93,728</u>	<u>190,952</u>	<u>140,278</u>
Accounting fees	-	-	-	13,000	-	13,000	13,000	1,500
Bank fees	-	-	-	-	2,803	2,803	2,803	2,021
Computer Expense	-	-	-	4,519	5,000	9,519	9,519	2,450
Depreciation	838	278	1,116	838	838	1,676	2,792	699
Dues and memberships	-	-	-	15	-	15	15	578
Annual grants	1,548,850	-	1,548,850	-	-	-	1,548,850	1,381,688
Special grants	838,766	631,810	1,470,576	-	-	-	1,470,576	297,282
Grants	-	67,478	67,478	-	-	-	67,478	-
Insurance	-	-	-	4,092	-	4,092	4,092	4,197
Office Expense	-	-	-	2,345	-	2,345	2,345	2,569
Postage	-	-	-	656	5,072	5,728	5,728	1,560
Printing	-	-	-	-	9,100	9,100	9,100	8,477
Professional fees	12,587	-	12,587	24,047	23,826	47,873	60,460	48,063
Rent	5,641	-	5,641	6,769	10,154	16,923	22,564	21,902
Special events	-	-	-	-	-	-	-	3,843
Licenses, taxes, & fees	2,031	-	2,031	2,437	3,655	6,092	8,123	7,407
Telephone	450	-	450	540	810	1,350	1,800	1,750
Travel	-	2,272	2,272	-	-	-	2,272	-
Utilities	180	-	180	215	322	537	717	666
Total expenses	<u>2,409,343</u>	<u>701,838</u>	<u>3,111,181</u>	<u>59,473</u>	<u>61,580</u>	<u>121,053</u>	<u>3,232,234</u>	<u>1,786,652</u>
	<u>\$ 2,449,513</u>	<u>\$ 758,892</u>	<u>3,208,405</u>	<u>\$ 92,948</u>	<u>\$ 121,833</u>	<u>\$ 214,781</u>	<u>\$ 3,423,186</u>	<u>1,926,930</u>

**Hobe Sound Community Chest, Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for 2020)**

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ 4,806	\$ 255,802
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	2,792	699
Gain on investments	(622,193)	(74,009)
(Increase) decrease in assets:		
Pledges receivable	(500)	113,740
Prepaid expenses	(168)	(514)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	37,106	23,451
Net cash provided by (used in) operating activities	(578,157)	319,169
Cash Flows From Investing Activities		
Purchases of investments	(60,027)	(1,861,223)
Proceeds from sale of investments	876,384	2,081,089
Cash paid for purchases of capital assets	(1,357)	(10,078)
Net cash provided by investing activities	815,000	209,788
Net increase in cash	236,843	528,957
Cash at beginning of year	1,176,672	647,715
Cash at end of year	\$ 1,413,515	\$ 1,176,672



**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE A - DESCRIPTION OF ORGANIZATION**

Hobe Sound Community Chest, Inc. (the "Chest") is operated exclusively for charitable, scientific, literary, and educational purposes with the objective of promoting the welfare of the entire community of Hobe Sound, Florida.

**NOTE B – SUMMARY OF ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Statements

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. Assets and related revenue are recorded when earned, and liabilities and related expenses are recognized as incurred. In applying generally accepted accounting principles to program service revenue, the legal and contractual requirements of the individual programs are used as guidance. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In accordance with generally accepted accounting principles as they relate to non-profit organizations, account balances and transactions of the organization have been classified into two classes of net assets – net assets without donor restrictions and net assets with donor restrictions as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in corporate documents and the application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Chest must continue to use the resources in accordance with the donor's instructions. The Chest's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the asset is placed in service by the Chest, unless the donor provides more specific directions about the period of its use.

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE B – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

Net Assets with Donor Restrictions (Continued)

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions are reported as net assets with donor restrictions if a donor imposes a restriction that may be satisfied by the passage of time or the use for the restricted purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions also may include contributions that include stipulations by the donor that the contribution be maintained perpetually but may allow the organization to use all or part of the income derived from the underlying asset for unrestricted purposes.

Cash and Cash Equivalents

For purposes of reporting, cash and cash equivalents include cash on hand, money market funds and all highly liquid debt instruments with original maturities of three months or less held in financial institutions.

Investments

Investments are reported in accordance with the FASB ASC Topic for Investments in Debt and Equity Securities. Under this topic, investments are recorded at the fair market value in the Statement of Financial Position. Realized and unrealized gains and losses are reflected in the Statement of Activities. Donated investments are recorded as contributions equal to their market value at the date of receipt.

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded at cost.

The Chest has elected to capitalize those assets costing or having a fair market value at time of donation of \$1,000 or more and a useful life greater than one year. Depreciation is provided for all classes of property, plant, and equipment using straight-line methods over estimated useful lives ranging from 5 to 39 years. Contributed property and equipment is recorded at fair value at the date of donation if material to the financial statements. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support.

Income Taxes

The Chest is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, the Chest is not considered a private foundation.

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE B – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

Functional Expenses

Expenses are charged to each program based on direct expenses incurred. Any program expenses not directly chargeable are allocated to a program based on time allocated to the function.

Accounting 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 amount of assets and liabilities and disclosure of contingent 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.

**NOTE C – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents deposited in financial institutions total \$1,711,130 and \$1,197,338 at June 30, 2021 and 2020 respectively. These deposits include \$55,846 and \$373,553 in interest bearing accounts. The fair value of cash and cash equivalents approximates their carrying value at June 30, 2021 and 2020.

*Deposits* - Cash deposits are maintained at various financial institutions. At June 30, 2021 and 2020 accounts are insured by the FDIC up to \$250,000 per financial institution regardless of whether they are interest bearing or not. The Chest had uninsured cash deposits of \$1,427,271 and \$697,338 as of June 30, 2021 and 2020 respectively.

**NOTE D – INVESTMENTS**

Securities held by brokerage institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 which includes a \$250,000 limit for cash equivalents. The asset protection provided by SIPC is not against losses from fluctuations in the value of the securities, but rather only if the brokerage firm ceases doing business.

Investments subject to market risk of fluctuations in value at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
ST Bond Index Funds	\$ 851,724	\$ 1,125,048
S&P 500 Index Funds	2,018,430	1,939,270
	<u>\$ 2,870,154</u>	<u>\$ 3,064,318</u>

Investments consist primarily of securities traded on national exchanges and are stated at fair value.

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE E – 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, 2021 are:

Financial Assets	
Cash	\$ 1,413,515
Investments	2,870,154
Less financial assets held to meet donor imposed restrictions	<u>(825,362)</u>
Amount available for general expenses within one year	<u>\$ 3,458,307</u>

**NOTE F - PROPERTY, PLANT AND EQUIPMENT**

At June 30, 2021 and 2020 property, plant and equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Software	14,780	14,780
Furniture & Fixtures	1,622	1,622
Computer Equipment	<u>7,342</u>	<u>5,985</u>
	23,744	22,387
Less Accumulated Depreciation	<u>(13,881)</u>	<u>(11,089)</u>
	<u>9,863</u>	<u>11,298</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$2,792 and \$699.

**NOTE G – OPERATING LEASE**

The Chest leases administration office space in Hobe Sound, Florida. The lease was originally dated January 31, 2011. The Chest has been signing yearly addendums to the lease expiring on January 31<sup>st</sup> every year. The current addendum runs through January 31, 2022.

The minimum future lease payments for the years subsequent to 2021 are as follows:

<u>Year</u>	<u>Lease Payments</u>
2022	\$ 13,391
2023	-
2024	-
2025	-
2026 & Thereafter	-
Total	<u>\$ 13,391</u>

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE H – NET ASSETS WITH DONOR RESTRICTIONS**

During the fiscal year ended June 30, 2021, the Chest received \$819,198 that was restricted by the donors for a specific use or program services to be provided in a subsequent period. Also, during the fiscal year ended June 30, 2020 the Chest released \$882,978 in net assets with donor restrictions due to the passage of time and the use for the restricted purpose. Net assets with donor restrictions totaled \$825,362 at June 30, 2021 as follows:

Hobe Sound Strong Start	\$ 566,704
Donor Advised Fund	141,680
Campaign 2022	68,500
Banner Lake Club	<u>48,478</u>
Total	<u>\$ 825,362</u>

**NOTE I – FAIR VALUE MEASUREMENTS**

FASB ASC 820-10, Fair Value Measurements and Disclosures established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Chest has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. The Chest does not hold any Level 2 assets at June 30, 2021.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Level 1 Fair Value Measurements

The fair values of investments are based on quoted prices.

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

**NOTE 1 – FAIR VALUE MEASUREMENTS (CONTINUED)**

Level 3 Fair Value Measurements

The receivables are valued at the pledge amount discounted to the present value of the future cash flows to be received.

The preceding methods described may produce a fair value calculation that may not be indicative of net realized value or reflective of future fair values. Furthermore, although the Chest believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Following is a description of the valuation methodologies used for assets measured at fair value.

*ST Bond Index Funds* – Valued at the net asset value of the units held by the entity at year end.

*S&P 500 Index Funds* – Valued at the net asset value of the shares held by the entity at year end.

*Pledges Receivable* – Valued at the pledge amount discounted to the present value of the future cash flows to be received.

The following table sets forth by level, within the fair value hierarchy, the Chest's assets at fair value as of June 30, 2021.

Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Investments:</b>				
ST Bond Index Funds	\$ 851,724	-		
S&P 500 Index Funds	2,018,430	-		
Total Investments	2,870,154	-	-	2,870,154
Pledges Receivable, Net	-	-	500	500
Total Assets at Fair Value	<u>\$ 2,870,154</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 2,870,654</u>

Level 3 Assets Year Ended June 30, 2020

Description	Beginning Balance 7/1/20	Unrealized Gains/Losses Relating to Instruments Held at Reporting Date	Purchases, Sales, Issuances, and Settlements (Net)	Ending Balance 6/30/21
Pledges Receivable, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

***NOTE J – BOARD DESIGNATED NET ASSETS***

The Board has designated a portion of the Chest's unrestricted net assets for a Strategic Reserve, to be used at the Board's discretion for special grants to agencies for certain expenditures to help with various projects undertaken by the agencies. The designated Strategic Reserves can also be used for emergency grants in case of natural disasters such as hurricanes or pandemics. At June 30, 2021 the designated Strategic Reserve was \$2,688,177.

The Board has also designated a portion of the Chest's unrestricted net assets for the Banner Lake Project, to be used in a capital and infrastructure improvement project at the Banner Lake Club in Hobe Sound, Florida. At June 30, 2021 the amount designated for the Banner Lake Project was \$25,679.

***NOTE K - RISK MANAGEMENT***

The Chest is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Chest maintains commercial insurance coverage and claims have not exceeded policy provisions for the year ended June 30, 2021.

***NOTE L – MANAGEMENT'S REVIEW***

In reviewing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 15, 2021 the date that the financial statements were available to be issued.

***NOTE M – INCOME TAXES***

The Chest has adopted accounting guidance which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax returns. The Chest may recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based solely on the technical merits of the tax position. At June 30, 2021, the Chest did not have uncertain tax positions and thus has not recognized any tax benefit or liability in these financial statements. Tax years that remain subject to examination by taxing authorities are periods ended June 30, 2020 and 2019 and December 31, 2018.

***NOTE N – SUMMARIZED COMPARATIVE INFORMATION***

The financial statements contain certain prior year summarized comparative information in total, but not by class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with Chest's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Hobe Sound Community Chest, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2021**

***NOTE O – COVID-19***

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the organization operates. It is unknown how long these conditions will last and what the complete financial effect will be to the organization.