



**Team San Jose
Financial Statements
June 30, 2021 and 2020**

Board of Directors
Team San Jose
San Jose, California



Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Team San Jose, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team San Jose as of June 30, 2021 and 2020, and the change 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.

Frank, Rimmerman & Co. LLP

San Jose, California
January 14, 2022

Team San Jose
Statements of Financial Position

	Years Ended June 30,	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,849,932	\$ 7,075,666
Restricted cash	47,266	338,502
Accounts receivable, net	-	813,607
Prepaid expenses	92,377	104,943
Inventory	12,293	8,383
Investments	4,958	1,478,000
Related party receivable	201,731	29,805
Total current assets	7,208,557	9,848,906
Property and Equipment, net	13,209	28,381
Total assets	\$ 7,221,766	\$ 9,877,287
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 210,587	\$ 432,838
Accrued expenses and other current liabilities	311,562	618,019
Deferred revenue	-	109,819
Total liabilities	522,149	1,160,676
Commitments and Contingencies (Note 5)		
Net Assets		
Without donor restrictions:		
Undesignated	6,058,570	8,383,427
Board designated	641,047	333,184
Total net assets	6,699,617	8,716,611
Total liabilities and net assets	\$ 7,221,766	\$ 9,877,287

See Notes to Financial Statements

Team San Jose
Statements of Activities and Change in Net Assets

	Years Ended June 30,	
	2021	2020
Revenues and Support		
City of San Jose:		
Convention and visitors bureau service revenues	\$ 2,487,001	\$ 6,579,878
Incentive fees	-	250,000
Donated use of facilities	-	145,805
Convention services	53,386	382,569
Visitor services	45,941	274,461
Administrative fees	24,000	24,000
Investment income, net	24,844	80,636
Total revenues and support	<u>2,635,172</u>	<u>7,737,349</u>
Expenses		
Program Services:		
Convention marketing and promotion	757,406	1,366,691
Convention services	37,318	354,839
Visitor services	23,125	69,047
Support Services:		
General and administrative	3,045,921	2,968,418
Sales and management services	788,396	1,738,710
Total expenses	<u>4,652,166</u>	<u>6,497,705</u>
Change in Net Assets	(2,016,994)	1,239,644
Net Assets Without Donor Restrictions, beginning of year	<u>8,716,611</u>	<u>7,476,967</u>
Net Assets Without Donor Restrictions, end of year	<u>\$ 6,699,617</u>	<u>\$ 8,716,611</u>

See Notes to Financial Statements

Team San Jose
Statement of Functional Expenses for the Year Ended June 30, 2021

	Program Services			Support Services		Total
	Convention Marketing and Promotion	Convention Services	Visitor Services	General and Administrative	Sales and Management Services	
Salaries and Benefits	43,558	224	20,099	2,722,112	687,927	\$ 3,473,920
Cost of Sales	-	36,330	-	-	-	36,330
Advertising	323,184	-	-	-	-	323,184
Marketing	301,583	-	-	28,750	70,810	401,143
Professional Services	-	-	-	43,494	-	43,494
Telephone	3,150	764	2,666	11,782	6,057	24,419
Travel	2,247	-	-	2,142	3,231	7,620
Recruiting and Training	-	-	-	1,371	500	1,871
Office Expenses and Supplies	831	-	-	8,743	1,505	11,079
Dues and Subscriptions	79,790	-	360	170,209	17,474	267,833
Depreciation and Amortization	-	-	-	15,172	-	15,172
Insurance	-	-	-	19,983	-	19,983
Other Expenses	3,063	-	-	22,164	891	26,118
Total expenses	<u>\$ 757,406</u>	<u>\$ 37,318</u>	<u>\$ 23,125</u>	<u>\$ 3,045,922</u>	<u>\$ 788,395</u>	<u>\$ 4,652,166</u>
Percent of Expenses	<u>16%</u>	<u>1%</u>	<u>0%</u>	<u>65%</u>	<u>17%</u>	<u>100%</u>

See Notes to Financial Statements

Team San Jose
Statement of Functional Expenses for the Year Ended June 30, 2020

	Program Services			Support Services		Total
	Convention Marketing and Promotion	Convention Services	Visitor Services	General and Administrative	Sales and Management Services	
Salaries and Benefits	\$ 245,889	\$ 145,298	\$ 59,222	\$ 1,870,358	\$ 1,192,350	\$ 3,513,117
Cost of Sales	24,733	197,104	380	-	-	222,217
Advertising	572,445	-	-	-	-	572,445
Community Service and Brochures	176	-	-	10,000	-	10,176
Marketing	201,409	5,295	-	61,618	316,494	584,816
Sales and Marketing	117,685	4,323	4,091	-	54,880	180,979
Professional Services	109,280	-	-	117,294	-	226,574
Telephone	2,575	1,949	1,693	40,121	6,847	53,185
Travel	15,691	870	1,340	133,778	133,646	285,325
Recruiting and Training	4,503	-	1,961	50,354	8,831	65,649
Office Expenses and Supplies	4,650	-	-	352,584	4,388	361,622
In-Kind Rent	-	-	-	145,779	-	145,779
Depreciation and Amortization	-	-	-	-	-	-
Dues and Subscriptions	67,655	-	360	186,532	21,274	275,821
Total expenses	<u>\$ 1,366,691</u>	<u>\$ 354,839</u>	<u>\$ 69,047</u>	<u>\$ 2,968,418</u>	<u>\$ 1,738,710</u>	<u>\$ 6,497,705</u>
Percent of Total Expenses	<u>21%</u>	<u>5%</u>	<u>1%</u>	<u>46%</u>	<u>27%</u>	<u>100%</u>

See Notes to Financial Statements

Team San Jose
Statements of Cash Flows

	Years Ended June 30,	
	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ (2,016,994)	\$ 1,239,644
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	15,172	17,044
Change in allowance for doubtful accounts	(10,000)	7,000
Changes in operating assets and liabilities:		
Accounts receivable	823,607	(501,919)
Prepaid expenses	12,566	104,749
Inventory	(3,910)	8,962
Related party receivable	(171,926)	58,186
Accounts payable	(222,251)	(41,217)
Accrued expenses and other current liabilities	(306,457)	(167,380)
Deferred revenue	(109,819)	32,107
Net cash provided by (used in) operating activities	(1,990,012)	757,176
Cash Flows from Investing Activities		
Proceeds from net sale of investments	1,473,042	3,015,000
Purchase of property and equipment	-	(23,035)
Net cash provided by (used in) investing activities	1,473,042	2,991,965
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(516,970)	3,749,141
Cash, Cash Equivalents and Restricted Cash, beginning of year	7,414,168	3,665,027
Cash, Cash Equivalents and Restricted Cash, end of year	<u>\$ 6,897,198</u>	<u>\$ 7,414,168</u>
Cash and Cash Equivalents	\$ 6,849,932	\$ 7,075,666
Restricted Cash	<u>47,266</u>	<u>338,502</u>
Total cash, cash equivalents and restricted cash	<u>\$ 6,897,198</u>	<u>\$ 7,414,168</u>

See Notes to Financial Statements

Team San Jose Notes to Financial Statements

1. Nature of Activities

Team San Jose (the Organization) was formed in December 2003 in response to a request for proposal by the City of San Jose (the City) for the management and operations of the convention center. The Organization is incorporated as a nonprofit corporation in the state of California to advertise, promote, and publicize San Jose, California as a site for meetings, conventions, conferences, trade shows, and other events at the City's facilities and area hotels in a manner that results in a positive economic impact for the City. The Organization promotes the City as a destination for business and leisure travel.

The Organization participates in and coordinates activities with the City's Office of Economic Development and other City agencies related to the branding of the City for the purpose of local, national, and international identity. The Organization also manages a Convention and Visitor Bureau (CVB) Advisory Group with other organizations that support economic development, communications, and marketing in the City in order to develop and provide input and suggestions that support and cross-promote San Jose as a destination. Under an agreement with the City, certain expenditures made by the Organization in connection with its activities are reimbursed by the City.

2. Significant Accounting Policies

Basis of Presentation:

The Organization segregates its assets, liabilities and operations into two categories: without donor restrictions and with donor restrictions. The Organization's net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions consist of net assets for which there are no donor-imposed restrictions, or such donor-imposed restrictions were temporary and expired during the current or previous periods.

Net assets with donor restriction consist of amounts receivable or received that are restricted for specific purposes or for subsequent periods. Some contributions received from donors are required to be maintained in perpetuity, while others expire over time or when the donor-imposed restrictions are satisfied. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Undesignated Net Assets:

Undesignated net assets are the cumulative excess of revenues and support over expenditures since the inception of the Organization, unless designated by the Board of Directors (the Board).

Team San Jose

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Board Designated Net Assets:

Board designated net assets are net assets without donor restrictions designated by the Board as a reserve for unexpected changes in the economy, contracts or specific projects. The reserve is the minimum of one month's operating expenses. At June 30, 2021, \$641,000 has been designated for use for the year ending June 30, 2021 (\$333,000 at June 30, 2020).

Revenue Recognition:

The Organization determines revenue recognition for its revenue-generating activities in accordance with accounting principles generally accepted in the United States of America. Those standards require the Organization apply the following steps:

- Identification of the contract or agreement with a grantor or customer
- Identification of the performance obligations in the contract or agreement
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract or agreement
- Recognition of revenues when, or as, the Organization satisfies a performance obligation

The Organization receives a majority of its revenues and support from the City. The Organization has a convention and visitors services bureau agreement (the Agreement) with the City, effective through June 30, 2024. Under the Agreement, payments are made to the Organization based upon its annual operating budget approved by the City. Revenues were recognized based upon the approved budget over the contract years presented. The Agreement automatically renews for an additional five-year term through June 30, 2029, subject to the Organization meeting stated performance obligations.

Under a separate management agreement with the City, the Organization receives incentive fees from the City to operate the San Jose McEnery Convention Center, the City's cultural facilities and the San Jose Visitors Bureau. Under the Organization's agreement, incentive fees paid are based on the Organization's performance in the prior year. There were no incentive fees for the year ending June 30, 2021 (\$250,000 at June 30, 2020).

Convention and visitor services revenues include housing and registration services. The revenues are recognized when the services are provided.

Membership fees, which are included in visitor services revenue, are recognized as revenue ratably over the period of the membership. Deferred revenue is a contract liability consisting of membership dues billed or paid but not recognized as revenues.

Team San Jose
Notes to Financial Statements

2. Significant Accounting Policies (continued)

In-Kind Donations:

The Organization may receive various donated products and services in connection with providing services to its members. Donated products and services are recorded at their estimated fair value. During the year ended June 30, 2021 there were no donated products and services provided to the Organization. During the year ended June 30, 2021 and 2020, The Organization received free use of its facilities from the City, which was recorded as donated use of facilities and in-kind rent.

The Agreement with the City provides the Organization with office space and equipment to enable it to perform its obligations. The Organization occupied a building owned by the City, for which it had not been charged rent. The terms for the office space used may be revised or canceled by the City during the term of the Agreement. Therefore, the Organization recorded the fair value of the free rent received annually. The Organization did not receive donated rent for the year ended June 30, 2021 (\$146,000 of donated rent was received for the year ended June 30, 2020).

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, disclosure of contingent assets and liabilities and reported amounts of revenues, support and expenses in the financial statements and related notes. Actual results could differ from those estimates.

Cash Equivalents:

The Organization considers all short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash:

Restricted cash consists of prepaid ticket sales collected on behalf of other organizations for which an offsetting liability is included in accounts payable. At June 30, 2021, there was \$47,000 designated as restricted cash (\$339,000 at June 30, 2020).

Investments and Investment Income:

Investments in certificates of deposits and money market funds are reported at fair value based on quoted market prices. Certificates of deposit with remaining maturities of greater than three months are included in investments and are reported at fair value and accumulated interest. Investment income is recorded on the accrual method of accounting and dividends are recorded at the ex-dividend date. Unrealized gains and losses are included in investment income.

Team San Jose

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Concentrations of Credit Risk:

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents, restricted cash, investments and accounts receivable. The Organization maintains its cash and cash equivalent deposits with three major financial institutions. The Federal Deposit Insurance Corporation insures these deposits up to \$250,000 at each institution. The Organization is exposed to credit risk in the event of default by the domestic financial institution to the extent cash and cash equivalent deposits are in excess of the amount insured. Marketable securities and cash equivalents held at a major U.S. brokerage firm are insured by the Securities Investor Protection Act up to \$500,000, of which \$250,000 is for cash and cash equivalent deposits. Cash and cash equivalents and investments totaling \$6,001,000 are uninsured at June 30, 2021 (\$7,972,000 at June 30, 2020). The Organization's investments and cash and cash equivalents are managed by the Organization's Board of Directors and Finance Committee.

The Organization estimates the collectability of its accounts receivable based on payment due dates and provides an allowance for potential credit losses as necessary. Historically, such losses have been within management's expectations.

Property and Equipment:

The Organization capitalizes property and equipment acquisitions over \$5,000. Property and equipment is stated at cost and depreciated over the estimated useful life between three and five years using the straight-line method. Leasehold improvements are amortized over their estimated useful life of 15 years using the straight-line method.

Income Taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and state franchise taxes under Section 23701d of the California Revenue and Taxation Code.

The Organization uses the "more likely than not" criterion for recognizing the income tax benefit of its income tax exempt status and establishing measurement criteria for liabilities resulting from the loss of that status. The Organization believes its income tax filing positions will be sustained upon examination and, accordingly, has not recorded any accruals for interest and penalties at June 30, 2021 for uncertain income tax positions. In the event the Organization should need to recognize interest and penalties related to unrecognized tax liabilities, this amount will be recorded as an accrued liability and an increase to income tax expense.

Team San Jose
Notes to Financial Statements

2. Significant Accounting Policies (continued)

Income Taxes: (continued)

Although the Organization is recognized as tax exempt, it is still liable for income tax on its unrelated business taxable income (UBTI). The Organization does not believe it has UBTI that would have resulted in an income tax liability at June 31, 2021 or 2020.

The Organization's federal exempt organization business income tax return (Form 990) is subject to examination, generally for three years after it is filed with the Internal Revenue Service. The Organization's California exempt organization business income tax return is subject to examination, generally for four years after it is filed with the Franchise Tax Board.

Advertising, Marketing and Promotions:

Advertising and marketing expenses consist of collateral, brochures, promotional materials and special promotions. The Organization expenses advertising and marketing costs as incurred. Advertising and marketing expenses were \$724,000 and \$1,157,000 for the years ended June 30, 2021 and 2020, respectively.

Statements of Functional Expenses:

The costs of providing the Organization's various programs and services have been summarized on a functional basis in the statements of functional expenses. Direct expenses are allocated to the related program or service benefited. Indirect expenses are allocated to programs and services based on operating expenses incurred and management's estimates of time and effort. The expenses allocated include personnel, dues and subscriptions, and marketing costs.

Fair Value Measurement:

The Organization uses a three-level hierarchy for fair value measurement based on the nature of inputs used in the valuation of an asset or liability as of the measurement date. The three-level hierarchy prioritizes within the measurement of fair value, the use of market-based information over entity-specific information. Fair value focuses on an exit price and is defined as 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. The inputs or methodology used for valuing assets or liabilities are not necessarily an indication of the risk associated with those assets or liabilities.

Team San Jose
Notes to Financial Statements

2. Significant Accounting Policies (continued)

Fair Value Measurement: (continued)

The three-level hierarchy for fair value measurement is defined as follows:

Level I: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level II: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly.

Level III: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset or liability's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. At June 30, 2021, all of the Organization's investments are certificates of deposits (certificates of deposit and mutual funds at June 30, 2020) and are classified as Level I investments under the fair value hierarchy.

Risks and Uncertainties:

The global outbreak of the novel coronavirus continues to be an evolving situation. The virus has disrupted much of society, impacted global travel and supply chains, and adversely impacted global commercial activity in most industries. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse effect on economic and market conditions and further extend a global economic slowdown. Such conditions, which may be across industries, sectors or geographies have impacted tourism in the City, and as a result, has impacted the Organization's revenues in 2021.

Recent Accounting Pronouncement Not Yet Effective:

In September 2020, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 was issued to increase the transparency for measuring contributed nonfinancial assets and is effective for the Organization as of July 1, 2021, requiring the use of the retrospective approach for its adoption. Early adoption is permitted. The Organization is evaluating the effect ASU 2020-07 will have on its financial statements and disclosures.

Team San Jose
Notes to Financial Statements

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncement Not Yet Effective: (continued)

ASU 2020-07 will require contributions from donors to be reported on the statements of financial position as either contributions of cash and other financial assets or other nonfinancial assets. Not-for-profit entities will be required to provide details as to the types of nonfinancial assets received, any donor-imposed restrictions on the assets, whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, the entity's accounting policy for monetizing the assets instead of utilizing the assets, and a description of the valuation techniques and inputs used to arrive at a fair value measurement for the donated assets at their initial recognition.

3. Liquidity and Availability of Resources

The table below represents assets available for general expenditures within twelve months at June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,849,932	\$ 7,075,666
Investments	4,958	1,478,000
Related party receivable	201,731	29,805
Accounts receivable, net	<u>-</u>	<u>813,607</u>
	<u>\$ 7,056,621</u>	<u>\$ 9,397,078</u>

The Organization monitors liquidity and the availability of its resources on an ongoing basis to ensure adherence to donor restrictions, contractual commitments and legal requirements for the use of funds while also maximizing the return on its investments. The Organization may sell investments, if necessary, to meet unexpected liquidity needs.

Team San Jose
Notes to Financial Statements

4. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Computers and equipment	\$ 203,151	\$ 203,151
Furniture and fixtures	90,245	90,245
Leasehold improvements	<u>24,509</u>	<u>24,509</u>
	317,905	317,905
Accumulated depreciation and amortization	<u>(304,696)</u>	<u>(289,524)</u>
	<u>\$ 13,209</u>	<u>\$ 28,381</u>

5. Commitments and Contingencies

Subsidy Commitments:

The Organization has committed for certain outside events that will occur between years ending June 30, 2022 and 2023 (between years ending June 30, 2020 and 2024 at June 30, 2020). Subsidies will be paid using future operating funds. At June 30, 2021, the Organization has committed approximately \$160,000 for these events (\$225,000 at June 30, 2020). These balances have not been accrued for at June 30, 2021 as they are conditional upon the event taking place. Therefore, they will be expensed when the events occur.

Indemnification Agreements:

Pursuant to the Agreement with the City, the Organization defends, indemnifies, holds harmless, and agrees to reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally the City, its officers, agents and employees, with respect to its services under the Agreement. The term of the indemnifications is generally perpetual any time after execution of the Agreement. The maximum potential amount of future payments the Organization could be required to make under the indemnifications is unlimited. The Organization has never incurred costs to defend lawsuits or settle claims related to the indemnification agreements. As a result, the Organization believes the estimated fair value of potential indemnification obligations is minimal at June 30, 2021.

Team San Jose

Notes to Financial Statements

5. Commitments and Contingencies (continued)

Indemnification Agreements: (continued)

The Organization also indemnifies its officers, directors, employees and other agents for certain events or occurrences, subject to certain limits, while the individuals are or were serving at its request in such capacity. The term of the indemnification period is for the individual's lifetime. The maximum amount of potential future indemnification is unlimited; however, the Organization has a director and officer insurance policy that limits its exposure and enables it to recover a portion of any future amounts paid. As a result of its insurance policy coverage, the Organization believes the fair value of potential indemnification obligations is minimal.

Legal:

In the normal course of business, the Organization may receive inquiries or become involved in legal disputes that are not covered by insurance. The Organization is not aware of any legal claims at June 30, 2021 and, in the opinion of management, any liabilities resulting from potential future claims would not have a material adverse effect on the Organization's financial position or results of operations.

6. Employee Retirement Plan

The Organization has a 401(k) plan (the Plan) to provide defined contribution retirement benefits for all employees meeting certain employment service requirements. Participants may contribute a portion of their compensation to the Plan, up to a prescribed maximum, subject to limitations under the Code. The Organization may make matching or discretionary contributions. The Organization's contributions were \$103,000 for the year ended June 30, 2021 (\$111,000 for the year ended June 30, 2020).

7. Related Party Transactions

The Organization provides accounting and other administrative services to San Jose Hotels, Inc. (SJHI), a related party. The Organization charged SJHI \$24,000 for the years ended June 30, 2021 and 2020, respectively, for the administrative services. The Organization is also reimbursed for certain direct costs incurred. The Organization has a receivable from SJHI of \$3,000 at June 30, 2021 (\$30,000 at June 30, 2020.)

Team San Jose
Notes to Financial Statements

7. Related Party Transactions (continued)

The Organization provides accounting and other administrative services to the Convention and Cultural Facilities (CCF), a related party. The Organization charged \$98,000 for the years ended June 30, 2021 (\$1,660,000 in June 30, 2020), for the administrative services. The Organization is also reimbursed for certain direct costs incurred. The Organization has a receivable from CCF of \$198,000 at June 30, 2021 (\$700,000 at June 30, 2020).

8. Subsequent Events

Subsequent events have been evaluated through January 14, 2022, which is the date the financial statements were approved by the Organization and available to be issued.