



# Proyecto Pastoral at Dolores Mission

**FINANCIAL REPORT  
JUNE 30, 2022**

# PROYECTO PASTORAL

## CONTENTS

---

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 – 3
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	4
Statements of Activities	5 – 6
Statements of Functional Expenses	7 – 8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 17

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Proyecto Pastoral

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Proyecto Pastoral (Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style.

August 11, 2023

**PROYECTO PASTORAL**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2022 and 2021

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,880,212	\$ 2,705,233
Government contracts receivable	1,106,807	668,373
Grants and contributions receivable, net	3,342,184	634,000
Prepaid expenses and other assets	38,077	56,554
Property and equipment, net	<u>894,354</u>	<u>714,268</u>
<b>Total assets</b>	<b><u>\$ 8,261,634</u></b>	<b><u>\$ 4,778,428</u></b>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts payable and accrued expenses	\$ 293,305	\$ 434,902
Grant advances	648,500	1,297,200
CDE reserve liability	368	368
Deferred revenue	<u>1,808</u>	<u>17,196</u>
Total liabilities	<u>943,981</u>	<u>1,749,666</u>

**Net assets**

Without donor restrictions	3,083,357	1,661,698
With donor restrictions	<u>4,234,296</u>	<u>1,367,064</u>
Total net assets	<u>7,317,653</u>	<u>3,028,762</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 8,261,634</u></b>	<b><u>\$ 4,778,428</u></b>

See notes to financial statements.

**PROYECTO PASTORAL**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and public support			
Government contracts	\$ 2,647,226	\$ -	\$ 2,647,226
Grants and contributions	1,052,142	5,233,874	6,286,016
PPP loan forgiven	648,700	-	648,700
In-kind contributions	54,655	-	54,655
Program and other income	29,622	-	29,622
Special events	108,352	-	108,352
Net assets released from restrictions	2,366,642	(2,366,642)	-
<b>Total revenue, gains, and public support</b>	<b>6,907,339</b>	<b>2,867,232</b>	<b>9,774,571</b>
Expenses			
Program services	4,293,786	-	4,293,786
Management and general	819,278	-	819,278
Fundraising	364,416	-	364,416
<b>Total expenses</b>	<b>5,477,480</b>	<b>-</b>	<b>5,477,480</b>
<b>Change in net assets before other change</b>	1,429,859	2,867,232	4,297,091
<b>Other change</b>			
Loss on uncollectable promises to give	(8,200)	-	(8,200)
<b>Change in net assets after other change</b>	1,421,659	2,867,232	4,288,891
Net assets, beginning of year	1,661,698	1,367,064	3,028,762
Net assets, end of year	<b>\$ 3,083,357</b>	<b>\$ 4,234,296</b>	<b>\$ 7,317,653</b>

See notes to financial statements.

**PROYECTO PASTORAL**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and public support</b>			
Government contracts	\$ 2,655,980	\$ -	\$ 2,655,980
Grants and contributions	480,448	2,014,949	2,495,397
In-kind contributions	44,500	-	44,500
Program and other income	106,514	-	106,514
Net assets released from restrictions	2,436,525	(2,436,525)	-
Total revenue and public support	5,723,967	(421,576)	5,302,391
<b>Expenses</b>			
Program services	4,107,846	-	4,107,846
Management and general	757,534	-	757,534
Fundraising	244,882	-	244,882
Total expenses	5,110,262	-	5,110,262
<b>Change in net assets before other change</b>	613,705	(421,576)	192,129
<b>Other change</b>			
Loss on uncollectable promises to give	(17,097)	-	(17,097)
<b>Change in net assets after other change</b>	596,608	(421,576)	175,032
<b>Net assets, beginning of the year</b>	1,065,090	1,788,640	2,853,730
<b>Net assets, end of year</b>	<b>\$ 1,661,698</b>	<b>\$ 1,367,064</b>	<b>\$ 3,028,762</b>

See notes to financial statements.



**PROYECTO PASTORAL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2022**

	Program Services					Supporting Services				
	Early Childcare Education	Community in Action (CEM)	GHP Homeless Project	Impacto	Promesa Boyle Heights	Total	Management and General	Fundraising	Total	Total
Salaries, taxes, and benefits	\$ 949,293	\$ -	\$ 820,641	\$ 719,496	\$ 1,081,132	\$ 3,570,562	\$ 375,798	\$ 161,073	\$ 536,871	\$ 4,107,433
Depreciation and amortization	23,788	616	963	19,190	5,618	50,175	32,187	-	32,187	82,362
Office	30,758	939	13,619	12,859	20,235	78,410	92,905	-	92,905	171,315
Program supplies and activities	42,426	1,050	47,224	24,234	29,962	144,896	4,456	-	4,456	149,352
Professional services	13,243	-	4,390	25,398	187,945	230,976	261,653	201,247	462,900	693,876
Occupancy	35,721	-	76,496	17,184	12,561	141,962	36,903	1,005	37,908	179,870
Meeting and travel	260	-	-	61	250	571	1,700	-	1,700	2,271
Staff development	1,227	-	3,139	2,517	3,157	10,040	3,517	-	3,517	13,557
Repairs and maintenance	10,156	-	45,760	9,910	368	66,194	10,159	1,091	11,250	77,444
<b>Total expenses by function</b>	<b>\$ 1,106,872</b>	<b>\$ 2,605</b>	<b>\$ 1,012,232</b>	<b>\$ 830,849</b>	<b>\$ 1,341,228</b>	<b>\$ 4,293,786</b>	<b>\$ 819,278</b>	<b>\$ 364,416</b>	<b>\$ 1,183,694</b>	<b>\$ 5,477,480</b>

See notes to financial statements.

**PROYECTO PASTORAL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2021**

	Program Services					Supporting Services				
	Early Childcare Education	Community in Action (CEM)	GHP Homeless Project	Impacto	Promesa Boyle Heights	Total	Management and General	Fundraising	Total	Total
Salaries, taxes, and benefits	\$ 911,046	\$ 55,868	\$ 911,934	\$ 665,665	\$ 752,052	\$ 3,296,565	\$ 391,822	\$ 142,879	\$ 534,701	\$ 3,831,266
Depreciation and amortization	40,390	-	963	135	1,566	43,054	41,214	-	41,214	84,268
Office	28,237	3,033	14,058	9,312	19,710	74,350	60,747	-	60,747	135,097
Program supplies and activities	50,644	3,419	37,552	17,762	19,913	129,290	3,544	-	3,544	132,834
Professional services	1,573	11,415	30,117	20,008	262,483	325,596	213,511	101,307	314,818	640,414
Occupancy	36,111	582	80,765	17,390	14,210	149,058	34,655	150	34,805	183,863
Meeting and travel	199	70	65	21	-	355	605	-	605	960
Staff development	1,024	-	438	317	1,369	3,148	2,194	-	2,194	5,342
Repairs and maintenance	37,788	-	27,174	21,168	300	86,430	9,242	546	9,788	96,218
<b>Total expenses by Function</b>	<b>\$ 1,107,012</b>	<b>\$ 74,387</b>	<b>\$ 1,103,066</b>	<b>\$ 751,778</b>	<b>\$ 1,071,603</b>	<b>\$ 4,107,846</b>	<b>\$ 757,534</b>	<b>\$ 244,882</b>	<b>\$ 1,002,416</b>	<b>\$ 5,110,262</b>

See notes to financial statements.

**PROYECTO PASTORAL**  
**STATEMENTS OF CASH FLOWS**  
June 30, 2022 and 2021

	2022	2021
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 4,288,891	\$ 175,032
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	82,362	84,268
Amortization of discount on promises to give	1,961	-
Loss on uncollectible promises to give	8,200	17,097
PPP loan forgiven	(648,700)	-
Changes in operating assets and liabilities:		
Grants and contracts receivable	(454,477)	353,411
Contributions receivable	(2,702,302)	-
Prepaid expense and other assets	18,477	626
Account payable and accrued expenses	(141,597)	(42,320)
Deferred revenue	(15,388)	(15,127)
Net cash provided by operating activities	437,427	572,987
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(262,448)	(6,387)
<b>Cash flows from financing activities</b>		
Proceeds from grant advance	-	648,500
<b>Net change in cash and cash equivalents</b>	174,979	1,215,100
<b>Cash and cash equivalents, beginning of year</b>	2,705,233	1,490,133
<b>Cash and cash equivalents, end of year</b>	\$ 2,880,212	\$ 2,705,233

See notes to financial statements.

# PROYECTO PASTORAL

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1 – ORGANIZATION

Proyecto Pastoral (Organization) is a non-profit organization with the mission to empower the community of Boyle Heights through grassroots projects in education, leadership, and service. The Organization’s vision is that residents continually address evolving challenges in the community, and that Boyle Heights serves as a model for other communities to participate in their own social transformation. Proyecto Pastoral was founded in 1986 by Father Greg Boyle, S.J., and by parishioners of Dolores Mission, to address the inequities in education, immigration, homelessness and leadership. Resident engagement continues to be critical in its approach to how priorities are identified and implemented.

Today, Proyecto has evolved to serve approximately 6,000 community residents annually through its five programs and by serving as the backbone organization to the collaborative Promesa Boyle Heights:

1. Early Childhood Education Centers – two centers providing a high-quality early education program for 100 children ages 18 months to 5 years, and their parents, free of charge.
2. IMPACTO – a youth development program providing in-school academic case management, summer camp, and after-school enrichment, tutoring, arts, sports and recreation programs for 800 youth ages 5–18 across five sites.
3. Guadalupe Homeless Project – two emergency homeless shelters serving 300 men and senior-aged women annually with food, shelter, and strategic wraparound support services to help residents transition to housing.
4. Comunidad en Movimiento – a community organizing effort led by a core group of 12 community leaders to promote public safety, civic engagement, and leadership in the community.
5. Promesa Boyle Heights – a community-wide collaborative of residents, educators, and 30+ community organizations working together to build a cradle-to-career pipeline for youth in Boyle Heights.

Across these five core initiatives, the Organization seeks to build community power in Boyle Heights, understanding that low-income resident leaders of color—those most impacted by systemic inequities—can create transformational change rooted in values of justice, solidarity and dignity.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The primary areas of estimation are the functional allocation of expenses and the allowance for uncollectable accounts. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less when purchased, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes or contractually restricted are excluded from this definition.

The Organization maintains a reserve account for its Child Care program in accordance with California Department of Education (CDE) requirements. The balance in this account totaled \$368 at June 30, 2021 and 2021. Interest income related to the reserve account of \$5 is included in program and other income for the year ended June 30, 2022.

Revenue and Revenue Recognition

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in grants and contributions in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2022 and 2021, the allowance for doubtful accounts totaled \$5,882 and \$0, respectively.

Revenue is recognized when earned. A portion of revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization incurs expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as grant advances in the statements of financial position.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue and Revenue Recognition (Continued)

The Organization recognizes contributions when cash, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

For the years ended June 30, 2022 and 2021, three government agencies comprised of 91% and two government agencies comprised of 77% of the Organization's government contract revenue, respectively. For the year ended June 30, 2022 and 2021, two donors comprised of 43% and 22% of the Organization's grants and contributions revenue, respectively.

For the years ended June 30, 2022 and 2021, two donors comprised of 67% and 78% of grant and contribution receivables, respectively. For the years ended June 30, 2022 and 2021, two donors comprised of 56% and 88% of government contract receivables, respectively.

Property and Equipment

The Organization records property and equipment additions over \$1,000 at cost, or if donated, at the fair value on the date of donation. Depreciation and amortization is computed using the straight-line basis over estimated useful lives of five years for computers and vehicles, 5 to 15 years for furniture and fixtures, lesser of the life of the asset or the lease term for leasehold improvements, 15 to 31 years for buildings and improvements. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Impairment of Long-lived Assets

The Organization reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of that asset. During the years ended June 30, 2022 and 2021, there were no events or changes in circumstances indicating the carrying amount of long-lived assets may not be recoverable.

In-kind Contributions

The Organization records various types of in-kind support, including equipment and supplies, and use of facilities, as in-kind contributions revenue. Contributions of tangible assets are recognized at fair value when received if they are used. For the year ended June 30, 2022, in-kind contributions totaled \$13,255 for donated building and improvements, which was recognized at estimated cost incurred by the donor and were utilized for program services and management and general activities, and \$41,400 for donated use of facilities, which was valued based on estimated fair value of comparable rental properties in the Los Angeles market, and were utilized for program services and management and general related activities. As of June 30, 2021, in-kind contributions totaled \$3,100 for goods, which is valued based on the estimated fair value of the items received and \$41,400 for donated use of facilities. The revenue for donated use of facilities is offset by occupancy expenses on the statements of functional expenses.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
  
- *Net Assets with Donor Restrictions* – Net assets 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. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue with donor restrictions when received and released from restrictions when the assets are placed in service.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, costs have been allocated among the programs and supporting services benefited by a method that best measures the relative degree of benefit. Salaries, taxes, and benefits, depreciation and amortization, and occupancy expenses are allocated based on a percentage of time and effort spent by personnel.

Income Taxes

The Organization is organized as a not-for-profit organization exempt from income tax under provisions of Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code Section 23701d. Management has analyzed the tax positions taken by the Organization, and has concluded that, as of June 30, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Change in Accounting Principle

On July 1, 2021, the Organization adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The adoption of ASU 2020-07 did not have a material impact on the financial statements.

Subsequent Events

Management has evaluated subsequent events through August 11, 2023, the date which the financial statements were available to be issued, and determined the following reportable event has occurred.

**NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

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

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 2,880,212	\$ 2,705,233
Government contracts receivables	1,099,206	538,054
Contributions receivable, due within one year	2,248,006	629,000
<b>Total</b>	<b>\$ 6,227,424</b>	<b>\$ 3,872,287</b>

The Organization considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.



**PROYECTO PASTORAL**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 4 – GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions at June 30, 2022 and 2021, are expected to be collected as follows:

	<b>2022</b>	<b>2021</b>
Within one year	\$ 2,248,066	\$ 629,000
One to five years	1,094,118	5,000
<b>Total</b>	<b>\$ 3,342,184</b>	<b>\$ 634,000</b>

**NOTE 5 – PROPERTY AND EQUIPMENT**

As of June 30, 2022 and 2021, property and equipment consists of the following:

	<b>2022</b>	<b>2021</b>
Land	\$ 281,032	\$ 281,032
Buildings and improvements	2,258,930	2,090,531
Leasehold improvements	495,151	495,151
Furniture and Fixtures	341,208	276,752
Computers and Vehicles	275,831	246,238
	3,652,152	3,389,704
Less accumulated depreciation and amortization	(2,757,798)	(2,675,436)
<b>Total</b>	<b>\$ 894,354</b>	<b>\$ 714,268</b>

# PROYECTO PASTORAL

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 6 – GRANT ADVANCES

During the year ended June 30, 2021, the Organization was granted a \$648,700 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization has initially recorded the loan as a grant advance and will record the forgiveness in accordance with guidance for unconditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. In 2022, the principal amount of the grant advance and its accrued interest was forgiven in its entirety.

During the year ended June 30, 2022, the Organization was granted a second round PPP loan in the amount of \$648,500. The terms of the loan are similar to the first round PPP loan. As of July 11, 2022, the principal amount and its accrued interest was forgiven in its entirety.

### NOTE 7 – RISK AND UNCERTAINTIES

The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market and mutual funds. To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with grants and contracts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and others supportive of the Organization's mission. As of June 30, 2022, 51% of outstanding grants receivable were attributable to two donors. As of June 30, 2021, 72% of outstanding grants receivable were attributable to three donors.

**PROYECTO PASTORAL**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

As of June 30, 2022 and 2021, net assets with donor restrictions are restricted for the following purposes or periods:

	<b>2022</b>	<b>2021</b>
<i>Subject to expenditure for specified purpose</i>		
Early Childhood Education	\$ 200,133	\$ 12,500
Promesa Boyle Heights	1,649,970	722,921
IMPACTO	1,575,544	494,170
Guadalupe Homeless Project	387,400	-
Community in Action	40,000	-
Other programs	30,000	92,473
	3,883,047	1,322,064
<i>Subject to the passage of time</i>		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	351,249	45,000
<b>Total</b>	<b>\$ 4,234,296</b>	<b>\$ 1,367,064</b>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of passage of time, other events specified by the donors as follows for the years ended June 30, :

	<b>2022</b>	<b>2021</b>
Early Childhood Education	\$ 65,833	\$ 116,302
Promesa Boyle Heights	1,187,397	1,173,277
IMPACTO	647,190	658,631
Guadalupe Homeless Project	155,000	117,370
Community in Action	-	62,613
Other programs	92,472	308,332
Expiration of time restriction	218,750	-
<b>Total</b>	<b>\$ 2,366,642</b>	<b>\$ 2,436,525</b>