

ELUNA

Financial Statements

December 31, 2021 and 2020

Kreischer
Miller

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Independent Auditors' Report

The Board of Trustees
Eluna
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eluna, which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Eluna as of December 31, 2021 and 2020, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eluna 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility 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 auditors' 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 GAAS 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 GAAS 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 Eluna'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 Eluna'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 audits.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022, on our consideration of Eluna'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 Eluna'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 Eluna's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kreischer Miller". The signature is written in a cursive, flowing style.

Horsham, Pennsylvania
September 28, 2022

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Statements of Financial Position December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 958,137	\$ 749,316
Contributions receivable, net	375,808	761,631
Related party contributions receivable	127,500	56,000
Inventory	42,085	32,378
Prepaid expenses and other current assets	33,725	39,056
Investments	462,070	415,627
Total current assets	1,999,325	2,054,008
Contributions receivable, net	-	169,099
Related party contributions receivable	114,871	46,671
Property and equipment, net	41,741	61,798
	<u>\$ 2,155,937</u>	<u>\$ 2,331,576</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 60,182	\$ 62,067
Net assets:		
Without donor restrictions	1,115,808	1,080,938
With donor restrictions	979,947	1,188,571
Total net assets	2,095,755	2,269,509
Total liabilities and net assets	<u>\$ 2,155,937</u>	<u>\$ 2,331,576</u>

See accompanying notes to financial statements.

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Statements of Activities December 31, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Special events	\$ 243,658	\$ -	\$ 243,658
Contributions	1,302,683	541,106	1,843,789
Partner and community events	29,964	-	29,964
In-kind contributions	54,371	-	54,371
Net investment return	35,158	-	35,158
Other income	4,229	-	4,229
Net assets released from restrictions	749,730	(749,730)	-
	2,419,793	(208,624)	2,211,169
Expenses:			
Program services	1,790,861	-	1,790,861
Management and general	289,606	-	289,606
Fundraising	498,639	-	498,639
	2,579,106	-	2,579,106
Change in net assets before other income/(expense)	(159,313)	(208,624)	(367,937)
Other income/(expense):			
Loss on disposal of equipment	(7,189)	-	(7,189)
Debt forgiveness, Paycheck Protection Program	201,372	-	201,372
Change in net assets	34,870	(208,624)	(173,754)
Net assets, beginning of year	1,080,938	1,188,571	2,269,509
Net assets, end of year	\$ 1,115,808	\$ 979,947	\$ 2,095,755

See accompanying notes to financial statements.

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 63,603	\$ -	\$ 63,603
1,425,924	669,413	2,095,337
6,028	-	6,028
28,842	-	28,842
37,370	-	37,370
811	-	811
917,121	(917,121)	-
2,479,699	(247,708)	2,231,991
1,409,567	-	1,409,567
339,916	-	339,916
365,099	-	365,099
2,114,582	-	2,114,582
365,117	(247,708)	117,409
-	-	-
217,500	-	217,500
582,617	(247,708)	334,909
498,321	1,436,279	1,934,600
\$ 1,080,938	\$ 1,188,571	\$ 2,269,509

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Statement of Functional Expenses Year Ended December 31, 2021

	Camp Erin	Camp Mariposa	The Resource Center	Total Program Services	Management and General	Fundraising	Total
Grants and program related costs (including in-kind of \$22,740)	\$ 179,041	\$ 567,626	\$ 11,152	\$ 757,819	\$ -	\$ -	\$ 757,819
Marketing and promotion	15,091	12,093	18,817	46,001	7,266	105,108	158,375
Salaries and employee benefits	210,815	330,238	172,730	713,783	230,265	257,277	1,201,325
Special events expenses (including in-kind of \$140)	-	-	-	-	-	47,336	47,336
Professional services (including in-kind of \$31,491)	39,374	110,518	14,775	164,667	11,090	51,126	226,883
Rent and occupancy	15,867	23,877	12,487	52,231	16,725	17,434	86,390
Travel and conferences	160	24,869	1,157	26,186	1,544	503	28,233
Office expenses	271	1,346	217	1,834	1,353	3,759	6,946
Postage and printing	1,012	1,529	797	3,338	624	4,432	8,394
Telephone and utilities	1,445	2,182	1,135	4,762	1,531	1,589	7,882
Depreciation	-	-	-	-	12,868	-	12,868
Dues and subscriptions	4,102	4,102	2,007	10,211	1,759	2,945	14,915
Insurance	2,527	3,795	1,987	8,309	2,581	2,687	13,577
Miscellaneous	1,073	647	-	1,720	2,000	4,443	8,163
Total expenses	\$ 470,778	\$ 1,082,822	\$ 237,261	\$ 1,790,861	\$ 289,606	\$ 498,639	\$ 2,579,106

See accompanying notes to financial statements.

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Statement of Functional Expenses Year Ended December 31, 2020

	Camp Erin	Camp Mariposa	The Resource Center	Total Program Services	Management and General	Fundraising	Total
Grants and program related costs	\$ 146,020	\$ 395,519	\$ 174	\$ 541,713	\$ -	\$ -	\$ 541,713
Marketing and promotion	8,598	9,857	6,940	25,395	9,986	13,530	48,911
Salaries and employee benefits	198,237	291,305	161,366	650,908	256,641	244,191	1,151,740
Special events expenses	14,158	4,720	-	18,878	-	6,463	25,341
Professional services (including in-kind of \$28,842)	17,921	18,353	7,071	43,345	29,785	41,440	114,570
Rent and occupancy	22,493	31,372	17,292	71,157	26,570	25,777	123,504
Travel and conferences	1,753	15,116	-	16,869	3,027	1,993	21,889
Office expenses	222	952	152	1,326	3,073	7,490	11,889
Postage and printing	1,373	1,694	876	3,943	1,232	4,826	10,001
Telephone and utilities	2,442	3,360	1,862	7,664	2,725	2,804	13,193
Depreciation	4,013	5,568	3,080	12,661	4,727	4,599	21,987
Dues and subscriptions	2,105	2,654	1,580	6,339	2,765	4,259	13,363
Insurance	2,889	4,135	2,249	9,273	1,240	3,298	13,811
Miscellaneous	19	77	-	96	(1,855)	4,429	2,670
Total expenses	\$ 422,243	\$ 784,682	\$ 202,642	\$ 1,409,567	\$ 339,916	\$ 365,099	\$ 2,114,582

See accompanying notes to financial statements.

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Statements of Cash Flows December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ (173,754)	\$ 334,909
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,868	21,987
Realized and unrealized gains on investments	(18,985)	(22,870)
Donor contributed investments	(7,927)	(4,416)
Loss on disposal of equipment	7,189	-
(Increase) decrease in operating assets:		
Contributions receivable	415,222	160,992
Inventory	(9,707)	(6,435)
Prepaid expenses and other current assets	5,331	4,335
Increase (decrease) in accounts payable and accrued expenses	(1,885)	1,365
Net cash provided by operating activities	228,352	489,867
Cash flows from investing activities:		
Purchases of property and equipment	-	(8,655)
Purchase of investments	(480,801)	(203,307)
Proceeds from sale of investments	461,270	282,852
Net cash provided by (used in) investing activities	(19,531)	70,890
Net increase in cash and cash equivalents	208,821	560,757
Cash and cash equivalents, beginning of year	749,316	188,559
Cash and cash equivalents, end of year	\$ 958,137	\$ 749,316

See accompanying notes to financial statements.

(1) Nature of Organization

Eluna (formerly The Moyer Foundation) is a non-profit organization with a mission to support children and families impacted by grief or addiction. Eluna creates and supports three signature programs which are fully sponsored by donors to remain free of charge for all families:

- Camp Erin is the largest national bereavement program for youth grieving the death of a significant person in their lives.
- Camp Mariposa is a national addiction prevention and mentoring program for youth impacted by substance abuse in their families.
- The Resource Center extends Eluna's continuum of care by providing personalized phone and email support with a comprehensive online library of support offerings for children, families, educators and all those who need assistance with grief, substance use and other mental health support on subjects such as bullying, suicide prevention and mindfulness.

Eluna partners with local organizations throughout the U.S. and Canada and its support comes primarily from donor contributions, corporate sponsors, grants, and fundraising events.

(2) Summary of Significant Accounting Policies

Basis of Accounting

Eluna prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for Not-for-Profit Organizations. The significant accounting and reporting policies used by Eluna are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Presentation

Eluna is required to report information regarding its financial position and activities according to two classes of net assets. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Eluna 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.

(2) Summary of Significant Accounting Policies, Continued

Basis of Presentation, Continued

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Eluna does not have any net assets perpetual in nature.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and money market funds. Eluna considers all short-term securities with an original maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value in the statements of financial position. Net investment returns are reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Contributions Receivable

Contributions receivable are reported at the amount management expects to collect on balances outstanding at year end. Management reviews the collectability of contributions receivable on a periodic basis and determines the amount estimated to be uncollectible. A reserve for doubtful accounts is then established. Eluna charges off receivables against the allowance when management determines that a receivable is not fully collectible.

Inventory

Items in inventory include sports memorabilia and camp apparel, and are stated at lower of cost (first-in, first-out method) or net realizable value.

(2) Summary of Significant Accounting Policies, Continued*Property and Equipment*

Property and equipment are recorded at cost if purchased, or at fair value at the date of receipt, if contributed. Items with a cost exceeding \$1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of seven years for office furnishings, five years for website design, and three years for office equipment. Expenditures for normal maintenance and repairs are expensed as incurred. Leasehold improvements are amortized using the straight-line method over the shorter of the term of the lease or the useful life of the asset.

*Revenue Recognition**Contribution Revenue*

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions, including restrictions that are met in the year of receipt.

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at fair value, which is estimated as net realizable value if expected to be collected in one year and discounted future cash flows if expected to be collected in more than one year. Conditional promises to give are not included as support until the conditions are substantially met. As of December 31, 2021, unrecognized conditional contributions which are expected to be recognized in future years aggregated \$1,306,615.

Special Events

Special events revenue is recognized at the time the event occurs. Special event payments received prior to the occurrence of the event are recognized as deferred revenue and special event expenses paid prior to the date of the event are recognized as prepaid expenses.

In-Kind Contributions

Contributed goods, advertising (including public service announcement commercials for Eluna), and other miscellaneous services are recorded at fair value. For the years ended December 31, 2021 and 2020, Eluna recognized \$54,371 and \$28,842, respectively, in the accompanying statements of activities.

(2) Summary of Significant Accounting Policies, Continued

In-Kind Contributions, Continued

Many individuals volunteer their time and perform a variety of tasks that assist Eluna with events and programs. The value of this contributed time is not reflected in these financial statements because the criteria for recognition has not been satisfied.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Such expenses for the years ended December 31, 2021 and 2020, were \$158,375 and \$48,911, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject Eluna to a concentration of credit risk consist principally of cash and cash equivalents, investments and contributions receivable. Eluna places its cash and temporary cash investments with financial institutions and, at times, such cash balances may be in excess of the FDIC insurance limits. Investment strategy shall be diversified in a way that is consistent with the risk tolerance and investment objectives of Eluna's investment policies and guidelines.

Concentrations of credit risk with respect to contributions receivable are limited due to the composition of Eluna's contributor base. Management assesses the financial strength of its unconditional pledges receivable based on prior history and experience with its donor and grantor agencies.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimated amounts.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses attributable to a specific functional area are reported as expenses of those functional areas. Certain costs that benefit multiple areas have been allocated among the programs and supporting services based on the proportion of full-time equivalents of a respective location versus the total full-time equivalents of all locations.

(2) Summary of Significant Accounting Policies, Continued

Income Taxes

Eluna is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes is included in the accompanying financial statements. Eluna is annually required to file a Form 990 with the Internal Revenue Service.

With few exceptions, Eluna is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for the years before 2018. Based on Eluna's assessment of many factors, including past experience, Eluna does not currently anticipate significant changes in its tax positions over the next 12 months.

Recent Accounting Pronouncements – Not Yet Adopted

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, (Topic 842). ASU 2016-02, as amended by 2020-05, improves transparency and comparability among organizations by requiring recognition of lease assets and lease liabilities in the statement of financial position, except for leases with lease terms of 12 months or less. Lease assets represent the right to use the underlying asset for the lease term, and lease liabilities represent the liability to make lease payments. Organizations are also required to disclose key information about leasing arrangements. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021. Eluna is currently evaluating the impact of adoption on its financial statements.

In-Kind Contributions

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07) which is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The standard requires Eluna to present contributed nonfinancial assets as a separate line item or a separate column in the statement of activities and to disclose key information about contributed nonfinancial assets. ASU 2020-07 is effective for financial statements issued for fiscal years beginning after June 15, 2021, with retrospective application required. Eluna is currently evaluating the impact of adoption on its financial statements.

Subsequent Events

Eluna has evaluated subsequent events through September 28, 2022, the date the financial statements were available to be issued.

Notes to Financial Statements
Year Ended December 31, 2021

(3) Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 958,137	\$ 749,316
Contributions receivable, net	375,808	761,631
Related party contributions receivable	127,500	56,000
Investments	462,070	415,627
	<u>1,923,515</u>	<u>1,982,574</u>
Less those assets unavailable for general expenditures within one year due to donor-imposed restrictions	979,947	1,188,571
	<u>\$ 943,568</u>	<u>\$ 794,003</u>

As part of its liquidity management, Eluna has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Eluna invests cash in excess of daily requirements in various short-term investments including money market funds and other short-term equity investments until it is required for operational use. In the event of an unanticipated liquidity need, Eluna could also draw upon its \$200,000 available line of credit (as further discussed in Note 8).

Eluna 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. Eluna forecasts its future cash flows and monitors its liquidity and reserves quarterly.

(4) Fair Value Measurements

FASB *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the 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 the lowest priority to unobservable inputs (level 3 measurements).

(4) Fair Value Measurements, Continued

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at December 31, 2021 and 2020. Mutual funds are valued at the closing price reported in active open markets.

Description	Assets at Fair Value as of December 31, 2021			
	Total	Level 1	Level 2	Level 3
Mutual funds:				
Large/mid-cap	\$ 305,600	\$ 305,600	\$ -	\$ -
Core taxable fixed income	153,779	153,779	-	-
Common stock	2,691	2,691	-	-
Total assets at fair value	\$ 462,070	\$ 462,070	\$ -	\$ -

Description	Assets at Fair Value as of December 31, 2020			
	Total	Level 1	Level 2	Level 3
Mutual funds:				
Large/mid-cap	\$ 122,721	\$ 122,721	\$ -	\$ -
Core taxable fixed income	273,021	273,021	-	-
Global blended fund	19,885	19,885	-	-
Total assets at fair value	\$ 415,627	\$ 415,627	\$ -	\$ -

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Notes to Financial Statements December 31, 2021 and 2020

(4) Fair Value Measurements, Continued

Through the use of a globally diversified investment strategy, the primary investment objectives of Eluna are 1) to grow the assets of the investment portfolio at a rate that is greater than the rate of inflation and 2) to provide cash flow on occasion and at the discretion of Eluna to supplement the general fund. With the approval of the Board of Trustees, Eluna may also draw principal from this account from time to time in order to maintain operations and meet financial commitments of Eluna.

(5) Contributions Receivable

Contributions receivable consist of the following at December 31:

	2021	2020
Receivable in less than one year	\$ 395,808	\$ 781,631
Receivable in one to five years	-	171,236
	395,808	952,867
Allowance for doubtful accounts	(20,000)	(20,000)
Discounts to present value	-	(2,137)
	<u>\$ 375,808</u>	<u>\$ 930,730</u>

At December 31, 2021, 59% of contributions receivable were due from two donors. Contributions from one donor accounted for 45% of total contributions revenue in 2021.

Related party contributions receivable, including contributions from board members, board member affiliated parties and employees, consists of the following at December 31:

	2021	2020
Current related party contribution receivables	\$ 127,500	\$ 56,000
Long-term related party contribution receivables	114,871	46,671
	<u>\$ 242,371</u>	<u>\$ 102,671</u>

During the years ended December 31, 2021 and 2020, Eluna received contributions from members of its Board of Directors and other related parties amounting to \$182,535 and \$108,561, respectively.

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Notes to Financial Statements Year Ended December 31, 2021

(6) Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Office equipment and furnishings	\$ 43,879	\$ 168,265
Website design	148,473	148,473
Leasehold improvements	4,711	122,359
	197,063	439,097
Accumulated depreciation	(155,322)	(377,299)
	<u>\$ 41,741</u>	<u>\$ 61,798</u>

Depreciation expense was \$12,868 and \$21,987 for the years ended December 31, 2021 and 2020, respectively.

(7) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2021	2020
Subject to expenditure for specified purpose:		
Camp Erin	\$ 26,796	\$ 446,701
Camp Mariposa	564,163	645,877
The Resource Center	160,495	-
Catch a Cure for Cancer - Gregory Fund	1,822	1,822
Time restricted	226,671	94,171
	<u>\$ 979,947</u>	<u>\$ 1,188,571</u>

(8) Line of Credit

Eluna has a \$200,000 secured line of credit (the Line) from a bank. The Line was established in 2016. Interest on the Line is payable monthly at the bank's prime rate plus 3.5%. Substantially all of Eluna's assets are collateralized by the Line. Eluna had no outstanding borrowings on the Line at December 31, 2021 and 2020.

(9) Debt Forgiveness, Paycheck Protection Program

In May 2020, Eluna applied for, was approved for and received disbursement of a loan in the amount of \$217,500 under the Paycheck Protection Program (PPP). This program was administered by the Small Business Administration (SBA) and authorized by the Keeping American Workers Employed and Paid Act, which was part of the Coronavirus Aid, Relief, and Economic Security Act, enacted on March 27, 2020. This loan was subject to certain forgiveness provisions based on Eluna filing an application for loan forgiveness with the SBA. Eluna applied for forgiveness during 2020 and in December 2020, Eluna received notice from the SBA and its lender that the PPP loan was forgiven in its entirety. The debt forgiveness, in the amount of \$217,500, was recorded as other income in the accompanying 2020 statement of activities.

On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) became law. The Economic Aid Act extended the authority to make PPP loans through March 31, 2021 and revised certain PPP requirements. During February 2021, Eluna received a second draw PPP loan (PPP2 loan) in the amount of \$201,372. The PPP2 loan was subject to certain forgiveness provisions based on Eluna filing an application for loan forgiveness with the SBA. Eluna applied for forgiveness during 2021 and in November 2021, Eluna received notice from the SBA and its lender that the PPP2 loan was forgiven in its entirety. The debt forgiveness, in the amount of \$201,372, was recorded as other income in the accompanying 2021 statement of activities.

(10) Lease Commitments

Eluna leases office space in Philadelphia, Pennsylvania under a non-cancelable operating lease agreement expiring in 2023. During 2020, Eluna terminated the lease for its office space in Seattle, Washington. Total rent expense on these leases was \$85,376 and \$124,277 in 2021 and 2020, respectively.

Minimum future lease payments under the lease is as follows:

Years Ending December 31,	Amount
2022	\$ 82,308
2023	\$ 100,095
2024	\$ 100,379
2025	\$ 102,235

(11) Retirement Plan

Eluna has a 401(k) plan providing retirement benefits to its employees. Employees may contribute up to the maximum amount provided by law. Eluna will make a fixed safe harbor nonelective contribution in an amount equal to 3% of the employee's compensation for the plan year. Employees are eligible for participation in the plan at age 21 and after a 180 day probationary period. All employer contributions vest immediately for eligible participants. In addition, the plan allows for discretionary matching contributions as determined by Eluna. Eluna's contributions to the plan were \$29,074 and \$29,091 for the years ended December 31, 2021 and 2020, respectively.

(12) Conditional Pledges

Eluna provides funding to local community organizations in the fields of bereavement, health, and child and family services for the establishment and operation of various camps and related programs across North America. Eluna conditionally pledges annual funds to each community organization for a multiyear time period which may vary in amount and duration pending compliance with the grant terms and conditions. Eluna only provides funds to cover approved program expenses and reserves the right to terminate its obligations at any time. As of December 31, 2021, if all grants were fulfilled, Eluna would expend a total of \$565,000 in partner program funding through the year 2022.

SUPPLEMENTARY INFORMATION

ELUNA

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Grantor/Pass-Through Grantor/ Program Title	Assistance Listing	Grantor Number	Grant Period	Provided to Subrecipients	Total Federal Expenditures
United States Department of Justice					
Office of Justice Programs / Office of Juvenile Justice and Delinquency Prevention					
Juvenile Mentoring Program	16.726	2019-JU-FX-0007	10/1/2019 - 9/30/2022	\$ 385,751	\$ 671,060
Juvenile Mentoring Program	16.726	2019-JY-FX-0006	10/1/2019 - 9/30/2022	123,000	153,074
Total Expenditures of Federal Awards				\$ 508,751	\$ 824,134

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures and Federal Awards
Year Ended December 31, 2021

(1) General Information

The accompanying schedule of expenditures of federal awards (the Schedule) includes the activities of the federal awards programs of Eluna. All federal awards received directly from federal agencies, as well as awards passed through other governmental agencies or nonprofit organizations, are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

(2) Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Relationship to Basic Financial Statements

For certain programs, the expenses reported in the financial statements may differ from the expenditures reported in the Schedule due to program expenses exceeding grant or contract budget limitations, which are not included as federal awards.

(4) De Minimis Indirect Cost Rate

Eluna has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees
Eluna
Philadelphia, Pennsylvania

We have audited 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, the financial statements of Eluna, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eluna's internal control over financial reporting (internal control) as a basis of designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eluna's internal control. Accordingly, we do not express an opinion on the effectiveness of Eluna's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eluna's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Kreischer Miller". The signature is written in a cursive, flowing style.

Horsham, Pennsylvania
September 28, 2022

Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance In Accordance with the Uniform Guidance

The Board of Trustees
Eluna
Philadelphia, Pennsylvania

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Eluna's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Eluna's major federal program for the year ended December 31, 2021. Eluna's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Eluna complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Eluna and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Eluna's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Eluna's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Eluna's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Eluna's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Eluna's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Eluna's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Eluna's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Horsham, Pennsylvania
September 28, 2022

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

☐ Yes ☒ No

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

16.726

Juvenile Mentoring Program

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

ELUNA

**Schedule of Findings and Questioned Costs, Continued
Year Ended December 31, 2021**

II. FINANCIAL STATEMENT FINDINGS

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

IV. SCHEDULE OF PRIOR AUDIT FINDINGS

None.