SILOAM HEALTH AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

SILOAM HEALTH AND SUBSIDIARIES

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Siloam Health and Subsidiaries
Nashville, Tennessee

We have audited the accompanying consolidated financial statements of Siloam Health and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Siloam Health and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Cherry Bekaert LLP

Nashville, Tennessee
December 16, 2021

SILOAM HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 5,067,213	$ 3,945,102
Accounts receivable	200,442	148,471
Unconditional promises to give, net	1,398,073	2,287,936
Inventory	10,280	17,980
Prepaid expenses	45,730	43,291
Investments:		
Securities, at fair value	2,277,781	1,895,235
Cash and cash equivalents held by investment firm	108,071	12,909
Property and equipment, net	2,146,232	2,245,800
Total Assets	$ 11,253,822	$ 10,596,724
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 96,881	$ 100,061
Accrued compensated absences	185,282	164,450
Deferred government grant revenue	-	532,700
Total Liabilities	282,163	797,211
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,073,086	3,917,254
Board-designated	2,385,852	1,908,144
Total Without Donor Restrictions	7,458,938	5,825,398
With Donor Restrictions	3,512,721	3,974,115
Total Net Assets	10,971,659	9,799,513
Total Liabilities and Net Assets	$ 11,253,822	$ 10,596,724

SILOAM HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Changes in Net Assets Without Donor Restrictions:		
Public Support and Revenue:		
Contributions	$ 2,807,724	$ 2,362,852
Service contracts	718,941	785,903
Donated services	329,791	327,573
Patient fees	639,596	356,238
Investment income (loss), net	577,708	(82,556)
Interest income	18,090	35,912
Grant income	688,121	-
Total Public Support and Revenue	5,779,971	3,785,922
Net Assets Released from Restrictions:		
Satisfaction of donor restrictions	926,844	628,697
Total Public Support and Revenue and Net Assets Released from Restrictions	6,706,815	4,414,619
Expenses:		
Program services	4,066,126	3,607,532
General and administrative	292,516	307,386
Fundraising	714,633	835,066
Total Expenses	5,073,275	4,749,984
Change in Net Assets Without Donor Restrictions	1,633,540	(335,365)
Changes in Net Assets With Donor Restrictions:		
Restricted contributions	465,450	4,279,242
Net assets released from restrictions	(926,844)	(628,697)
Changes in Net Assets With Donor Restrictions	(461,394)	3,650,545
Change in net assets	1,172,146	3,315,180
Net assets, beginning of year	9,799,513	6,484,333
Net assets, end of year	$ 10,971,659	$ 9,799,513

SILOAM HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 2,339,697	$ 147,937	$ 463,441	$ 2,951,075
Employee benefits	313,462	27,129	60,834	401,425
Donated patient care	315,376	14,415	-	329,791
Payroll taxes	168,405	11,266	32,881	212,552
Lab fees	174,071	-	-	174,071
Contracted services	100,031	46,247	20,100	166,378
Depreciation	149,977	5,569	8,683	164,229
Medical and lab supplies	139,815	-	-	139,815
Facilities	128,602	2,676	4,212	135,490
Technology costs	112,845	6,977	13,496	133,318
Development	-	480	55,379	55,859
Communications	507	-	45,171	45,678
Insurance	31,047	4,408	988	36,443
Utilities	32,121	1,028	1,603	34,752
Office expense	20,392	1,571	5,717	27,680
Accounting	7,011	13,270	-	20,281
Dues and licenses	12,290	3,549	1,121	16,960
Meetings, workshop, and travel	5,292	3,540	1,007	9,839
Interpreter services	7,463	-	-	7,463
Contingencies and miscellaneous	1,299	2,454	-	3,753
Volunteer development	3,428	-	-	3,428
Telephone	2,995	-	-	2,995
	$ 4,066,126	$ 292,516	$ 714,633	$ 5,073,275

SILOAM HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 2,030,854	$ 211,597	$ 446,809	$ 2,689,260
Employee benefits	264,956	23,626	54,035	342,617
Donated patient care	307,687	19,886	-	327,573
Contracted services	134,995	61	155,810	290,866
Payroll taxes	144,438	13,296	31,280	189,014
Medical and lab supplies	176,300	-	-	176,300
Technology expense	102,650	6,079	11,995	120,724
Depreciation	104,120	4,430	6,907	115,457
Lab fees	108,763	-	-	108,763
Facilities	77,856	2,330	3,632	83,818
Communications	809	-	56,644	57,453
Development	-	180	55,035	55,215
Interpreter services	31,722	-	-	31,722
Insurance	23,990	4,200	988	29,178
Utilities	23,376	819	1,277	25,472
Office supplies	18,904	1,930	3,650	24,484
Meetings, workshop, and travel	17,573	2,840	3,836	24,249
Accounting	5,388	12,000	-	17,388
Telephone	14,589	1,013	706	16,308
Dues and licenses	11,941	1,270	1,821	15,032
Miscellaneous	4,003	1,829	582	6,414
Volunteer development	2,618	-	59	2,677
	$ 3,607,532	$ 307,386	$ 835,066	$ 4,749,984

SILOAM HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 1,172,146	$ 3,315,180
Adjustments to reconcile change in net assets		
to net cash flows from:		
Depreciation	164,229	115,457
Net realized and unrealized (gains) losses on investments	(540,027)	130,799
Contributions restricted for long-term purposes	(465,450)	(1,990,906)
Changes in operating assets and liabilities:		
Accounts receivable	(51,971)	118,105
Unconditional promises to give	351,280	(2,029,808)
Inventory	7,700	8,277
Prepaid expenses	(2,439)	12,684
Accounts payable and accrued expenses	(3,180)	(61,721)
Accrued compensated absences	20,832	66,105
Deferred government grant revenue	(532,700)	532,700
Net cash flows from operating activities	120,420	216,872
Cash flows from investing activities:		
Proceeds from sale of securities	593,773	509,478
Purchases of securities	(436,292)	(487,832)
Purchases of property and equipment	(64,661)	(480,490)
Net cash flows from investing activities	92,820	(458,844)
Cash flows from financing activities:		
Capital campaign contributions received	1,004,033	1,990,906
Net cash flows from financing activities	1,004,033	1,990,906
Net change in cash and equivalents	1,217,273	1,748,934
Cash and cash equivalents, beginning of year	3,958,011	2,209,077
Cash and cash equivalents, end of year	$ 5,175,284	$ 3,958,011
Cash and cash equivalents consist of the following:		
Cash and cash equivalents	$ 5,067,213	$ 3,945,102
Cash and cash equivalents held by investment firm	108,071	12,909
	$ 5,175,284	$ 3,958,011

Note 1—Nature of activities

Siloam Health and Subsidiaries (the "Organization") is a faith-based, nonprofit organization that provides affordable, high-quality, whole-person health care to the uninsured and underserved in Middle Tennessee as well as health promotion among Nashville's immigrant and refugee populations. Through the Organization's comprehensive medical care and community health programs, the Organization addresses not only the physical health of the people they serve, but their spiritual, emotional, and mental health as well. The Organization also offers mentorship to the next generation of health care providers through its student education initiatives. The Organization's mission is to share the love of Christ by serving those in need through health care.

Note 2—Summary of significant accounting policies

Accounting Principles – The Organization's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") has established the Accounting Standards Codification ("ASC") as the sole source of authoritative U.S. GAAP.

Principles of Consolidation – The consolidated financial statements include the accounts of Siloam Health and its wholly-owned subsidiaries, Siloam Health Services, LLC and Siloam Health Clinics LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation – In accordance with FASB ASC guidelines, the Organization reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its Board of Directors.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. None of the Organization's net assets with donor restrictions are required to be held in perpetuity by the donors at June 30, 2021 and 2020.

Contributions – In accordance with FASB ASC guidelines, contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions.

Noncash donations are recorded as contributions at their estimated fair values at the date of the donation.

Service Contracts – The Organization recognizes revenues from service contracts related to the state of Tennessee and Catholic Charities of Tennessee, Inc. at the time services are performed based on fees approved under such agreements.

Note 2—Summary of significant accounting policies (continued)

Donated Services – Various physicians, nurses, pharmacists, and medical support personnel donate services to the Organization. These services are accounted for at fair market value and totaled $329,791 and $327,573 in the years ended June 30, 2021 and 2020, respectively.

Significant medical services including, but not limited to, hospital and laboratory testing and pharmaceutical supplies, are donated to patients of the Organization by other providers at little or no cost to the patient. These services and products are often given at the urging of the Organization. Since the Organization does not directly make the contributions, the value of such services and products are not reflected in the accompanying consolidated financial statements.

Patient Fees – Patient services are provided by the Organization at fees based on a sliding scale tied to the federal poverty level. However, no patient is turned away due to inability to pay. Since the Organization does not pursue collection of patient fees, they are recognized as revenue only when received.

Functional Allocation of Expenses – The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consist primarily of salaries and wages which are allocated based on time and effort.

Use of Estimates – The preparation of consolidated 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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash equivalents consist of short-term money market accounts with original maturities of 90 days or less and not invested as part of the investment fund. These amounts are carried at cost, which approximate fair value. Cash and cash equivalents that are part of the investment fund are shown within investments as those resources are not used for daily operating purposes.

The Organization maintains at various financial institutions cash and cash equivalent accounts which may at times exceed federally insured amounts and which may also exceed consolidated statements of financial position amounts due to outstanding checks. Cash in excess of federally insured limits totaled $3,439,069 and $2,328,842 as of June 30, 2021 and 2020, respectively. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risks on cash.

Accounts Receivable – Accounts receivable consist of amounts due under service contracts and other receivables. Management considers all accounts collectible and, therefore, an allowance for doubtful accounts has not been recognized in the consolidated financial statements.

Promises to Give – Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Inventory – Inventory represents purchased pharmaceuticals held for use and is stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out method.

Note 2—Summary of significant accounting policies (continued)

Investments – The Organization's investment securities are recorded at fair value if donated and at cost if purchased and adjusted annually to fair value. Realized gains and losses on sales of securities are recognized on the trade date using the specific identification method. Market values are determined based on quoted prices and significant other observable inputs. Realized and unrealized investment earnings are included in investment income on the consolidated statements of activities.

Interest income is recognized as earned. Dividends are recognized on the ex-dividend date.

Property and Equipment – Property and equipment are stated at cost, or fair value at date of donation if contributed, less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred and additions and improvements that significantly extend the lives of assets are capitalized. Upon the sale or other retirement of depreciable property, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

Depreciation is provided using the straight-line method over the estimated useful lives of the depreciable assets.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation. Accordingly, no provision has been made for income taxes in the accompanying consolidated financial statements.

Fair Value Measurements – Fair value 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. Accounting principles generally accepted in the United States of America establish a fair value hierarchy as described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices with Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable data.

Level 3 – Inputs that are observable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. These inputs into the determination of value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Recently Adopted Accounting Pronouncement – In May 2014, FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)* and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Subsequent to ASU 2014-09, FASB issued several related ASUs (collectively, "ASC 606"). As allowed by ASC 606, the Organization adopted the provisions of ASU 2014-09 and the related ASUs as of July 1, 2020 using a modified retrospective approach, which resulted in no cumulative effect adjustment. There was no change in the timing and amount of revenue recognition as a result of the adopting of these ASUs (see Note 3).

Note 2—Summary of significant accounting policies (continued)

Accounting Policies for Future Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the consolidated statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the consolidated statement of activities. This ASU will be effective for the fiscal year ending June 30, 2023. The Organization is currently evaluating the effect of the implementation of this new standard.

Subsequent Events – The Organization evaluated subsequent events through December 16, 2021, when these consolidated financial statements were available to be issued.

Note 3—Revenue recognition and impact of the new revenue standard adoption

Effective July 1, 2020, the Organization adopted ASC 606, which requires an entity to recognize revenue when it transfers the promised goods or services to a customer in an amount that reflects consideration to which the entity expects to be entitled to in exchange for those goods and services. As disclosed in Note 2, the Organization adopted ASC 606 using the modified retrospective method which recognizes the cumulative effect of initial adoption as of the effective date to net assets. There was no impact to net assets as of July 1, 2020 as a result of the adoption of ASC 606.

The Organization recognizes revenue for services in accordance with the following five steps outlined in ASC 606:

- Identification of the contract or contracts with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction prices
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when or as the Organization satisfies a performance obligation

The Organization has analyzed the provisions of ASC 606 and has concluded the following:

Patient Fees – The Organization operates two health clinics in the Melrose and Antioch areas of Nashville. Such revenue is included in patient fees revenue in the consolidated statement of activities. Revenue is recognized at a point in time as the patient receives the benefit of the Organization’s services and when collectability is reasonably assured.

Service Contracts – The Organization has contracts with the state of Tennessee and Catholic Charities of Tennessee, Inc. to perform health care related services, which are reimbursed at agreed upon contractual rates. Such revenue is included in service contracts revenue in the consolidated statement of activities. Revenue is recognized at a point in time as the services are performed and when collectability is reasonably assured.

Contract Balances – Net receivables from service contracts totaled $173,745 and $136,006 for the years ended June 30, 2021 and 2020, respectively.

Performance Obligations – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization’s contracts with customers do not typically include multiple performance obligations.

Note 3—Revenue recognition and impact of the new revenue standard adoption (continued)

Variable Consideration/Payment Terms – The Organization's contracts with customers do not result in variable consideration or contract modifications. The Organization's payment terms vary based on the procedure performed and the sliding scale rate. The time between invoicing and when payment is due is not significant. The Organization's contracts with customers do not generally result in significant obligations associated with returns, refunds, or warranties.

Disaggregation of Revenue – The consolidated statement of activities depicts the disaggregation of revenue by service for the years ended June 30, 2021 and 2020. This is consistent with how the Organization evaluates financial performance.

Note 4—Liquidity and availability of resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use within one year of the consolidated statement of financial position comprise the following at June 30:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 5,067,213	$ 3,945,102
Accounts receivable	200,442	148,471
Promises to give	1,398,073	2,287,936
Securities, at fair value	2,277,781	1,895,235
Cash and cash equivalents held by investment firm	108,071	12,909
Total financial assets	9,051,580	8,289,653
Less amounts not available to be used for general expenditures within one year:		
Net assets restricted for specific programs	(2,114,648)	(1,686,179)
Net assets restricted for time	(1,398,073)	(2,287,936)
Board-designated net assets	(2,385,852)	(1,908,144)
Financial assets available to meet general expenditures within one year	$ 3,153,007	$ 2,407,394

Note 5—Promises to give

Promises to give at June 30 are as follows:

	2021	2020
Less than one year	$ 873,125	$ 1,140,719
In one to five years	524,948	1,147,217
	$ 1,398,073	$ 2,287,936

Management determined that no allowance for uncollectible promises to give was necessary as of June 30, 2021 and 2020.

Note 6—Accounts receivable

Accounts receivable at June 30 consist of the following:

	2021	2020
Service contracts	$ 173,745	$ 136,006
Other	26,697	12,465
	$ 200,442	$ 148,471

As of June 30, 2021 and 2020, receivables from two service contracts represented 87% and 92%, respectively, of the Organization's total accounts receivable.

Note 7—Investments and board-designated reserves fund

The Organization's board-designated reserves investment policy centers on the preservation of its long-term real purchasing power while providing a relatively predictable and increasing stream of annual distributions when needed to supplement the financial needs of the Organization. The Organization targets a diverse asset allocation that places an emphasis on marketable equity and fixed income securities within prudent risk constraints.

The fund is managed by an investment advisor and held by an investment firm.

The Organization's spending policy allows the Board to authorize disbursements up to 5% of the total value of the fund annually for the use in operating activities. Amounts disbursed from the fund totaled $100,000 for the years ended June 30, 2021 and 2020.

Note 7—Investments and board-designated reserves fund (continued)

The Board-designated reserves fund is summarized as follows as of June 30:

	2021	2020
Cash and cash equivalents	$ 108,071	$ 12,909
Common equities	1,608,430	1,177,534
Corporate bonds	559,653	646,749
CMO and asset backed securities	-	1,464
Mutual funds	109,698	69,488
	2,277,781	1,895,235
	$ 2,385,852	$ 1,908,144

The changes in board designated net assets are as follows for the years ended June 30:

	2021	2020
Balance, beginning of year	$ 1,908,144	$ 2,090,700
Investment return:		
Realized and unrealized gains (losses)	540,027	(130,799)
Dividend and interest income	53,040	63,059
Investment fees	(15,359)	(14,816)
Investment income, net	577,708	(82,556)
Appropriation for expenditure	(100,000)	(100,000)
	477,708	(182,556)
Balance, end of year	$ 2,385,852	$ 1,908,144

Note 8—Property and equipment

Property and equipment consist of the following major classifications at June 30:

	2021	2020
Land	$ 291,560	$ 291,560
Building	2,447,250	2,429,613
Furniture and equipment	972,555	926,706
Leasehold improvements	299,643	299,643
	4,011,008	3,947,522
Accumulated depreciation	(1,864,776)	(1,701,722)
	$ 2,146,232	$ 2,245,800

Note 9 – Government grant revenue

During the year ended June 30, 2020, the Organization received a Paycheck Protection Program ("PPP") loan in the amount of $532,700, which was established under the Coronavirus Aid, Relief, and Economic Security Act (''CARES Act'') and administered by the Small Business Administration ("SBA"). The application for the PPP loan requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of the Organization. This certification further requires the Organization to take into account current business activity and the ability to access other sources of liquidity to support the ongoing operations in a manner that is not significantly detrimental to the business. The receipt of the funds from the PPP loan and the forgiveness of the PPP loan are dependent on the Organization having initially qualified for the PPP loan and qualifying for the forgiveness of such PPP loan based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loan. As of June 30, 2020, the Organization recorded such amounts as deferred government grant revenue as the conditions for forgiveness had not yet been met at that time.

The Organization applied for forgiveness with the SBA and the SBA forgave the PPP loan in full in April 2021. As a result, the Organization recognized $532,700 as grant income on the consolidated statement of activities for the year ended June 30, 2021.

Note 10—Net assets with donor restrictions

Net assets with donor restrictions consist of the following at June 30:

	2021	2020
Building Maintenance Fund	$ 171,593	$ 171,593
Time restriction	1,398,073	2,287,936
Comprehensive Campaign	1,942,217	1,513,748
Other	838	838
	$ 3,512,721	$ 3,974,115

Note 11—Operating lease

In March 2020, the Organization entered into a lease agreement for its new satellite location which expires February 2023, subject to renewal options. Lease payments are $3,550 per month.

Future minimum lease payments required under the operating lease as of June 30, 2021 are as follows:

Years Ending June 30,	
2022	$ 42,600
2023	28,400
	$ 71,000

Rent expense under the lease arrangement totaled $42,600 and $14,200 for the years ended June 30, 2021 and 2020, respectively, and is included as facilities expense in the consolidated statement of functional expenses.

Note 12—Pension plan

The Organization has a Savings Incentive Match Plan for Employees (SIMPLE) covering substantially all full-time employees. During the years ended June 30, 2021 and 2020, the Organization matched employee contributions up to 3% of qualifying compensation. The Organization's contributions under this plan totaled $61,551 and $59,541 for the years ended June 30, 2021 and 2020, respectively.

Note 13—Capital campaign

The Organization began a capital campaign called "Comprehensive Campaign" during the year ended June 30, 2020 to raise funds to finance an additional satellite location and general expansion. The total contributions pledged for the capital campaign for the years ended June 30, 2021 and 2020 were $465,450 and $3,756,810, respectively. Total pledged campaign contributions received for the years ended June 30, 2021 and 2020 were $1,004,033 and $1,990,906, respectively. As of June 30, 2021 and 2020, the outstanding pledge balances totaled $1,227,323 and $1,765,906, respectively.

Note 14—Fair value measurements

The following tables represent the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

	Fair Value Measurements as of June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 109,698	$ -	$ -	$ 109,698
Common stock	1,608,430	-	-	1,608,430
Corporate bonds	-	559,653	-	559,653
Cash and cash equivalents	108,071	-	-	108,071
Total assets at fair value	$ 1,826,199	$ 559,653	$ -	$ 2,385,852

	Fair Value Measurements as of June 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 69,488	$ -	$ -	$ 69,488
Common stock	1,177,534	-	-	1,177,534
Corporate bonds	-	646,749	-	646,749
Cash and cash equivalents	12,909	-	-	12,909
CMO and asset backed securities	-	1,464	-	1,464
Total assets at fair value	$ 1,259,931	$ 648,213	$ -	$ 1,908,144

The Organization uses the market approach to determine the fair value of investments measured using Level 2 inputs.

Note 15—Concentrations

Unconditional promises to give from two donors represented approximately 27% of the balance outstanding at June 30, 2021.

Note 16—Uncertainty

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The outbreak has caused a material, adverse impact on the economic and market conditions. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material, adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.