UNITED WAY OF GREATER KNOXVILLE, INC.
AND ITS OPERATING DIVISIONS

Financial Statements

March 31, 2021 and 2020
UNITED WAY OF GREATER KNOXVILLE, INC.
AND ITS OPERATING DIVISIONS
Financial Statements
March 31, 2021 and 2020

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Independent Auditors’ Report

To the Board of Directors
United Way of Greater Knoxville, Inc. and
Its Operating Divisions
Knoxville, Tennessee

We have audited the accompanying financial statements of United Way of Greater Knoxville, Inc. and Its Operating Divisions (collectively, the “Organization”), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Knoxville, Inc. and Its Operating Divisions as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited the Organization’s March 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Knoxville, Tennessee
June 22, 2021
# UNITED WAY OF GREATER KNOXVILLE, INC.

## AND ITS OPERATING DIVISIONS

### Statements of Financial Position

**March 31, 2021 and 2020**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$26,131,646</td>
<td>$12,890,972</td>
</tr>
<tr>
<td>Restricted cash (Note 8)</td>
<td>322,672</td>
<td>297,572</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>750,718</td>
<td>2,801,116</td>
</tr>
<tr>
<td>Pledges receivable (net of allowance for uncollectible pledges of $1,223,218 and $1,309,678 for 2021 and 2020, respectively)</td>
<td>6,155,735</td>
<td>6,891,502</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>108,958</td>
<td>220,896</td>
</tr>
<tr>
<td>Other receivables</td>
<td>123,318</td>
<td>165,124</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>33,593,047</strong></td>
<td><strong>23,267,182</strong></td>
</tr>
<tr>
<td>Property and equipment, net (Note 4)</td>
<td>2,472,336</td>
<td>2,479,987</td>
</tr>
<tr>
<td>Beneficial interest in assets held by others - endowment (Note 11 &amp; 12)</td>
<td>8,053,830</td>
<td>5,897,511</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$44,119,213</strong></td>
<td><strong>$31,644,680</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$121,673</td>
<td>$261,564</td>
</tr>
<tr>
<td>Notes payable, due within one year</td>
<td>75,571</td>
<td>-</td>
</tr>
<tr>
<td>Grants payable</td>
<td>1,222,285</td>
<td>1,815,720</td>
</tr>
<tr>
<td>Amounts designated by donors to specific organizations (Note 2)</td>
<td>877,232</td>
<td>1,174,923</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>2,296,761</strong></td>
<td><strong>3,252,207</strong></td>
</tr>
<tr>
<td>Notes payable, due after one year</td>
<td>205,256</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,502,017</strong></td>
<td><strong>3,252,207</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Without Donor Restrictions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated by the Board for stabilization reserve and quasi endowment (Note 11)</td>
<td>11,139,146</td>
<td>9,654,071</td>
</tr>
<tr>
<td>Undesignated</td>
<td>28,139,804</td>
<td>16,411,442</td>
</tr>
<tr>
<td><strong>Total without donor restrictions</strong></td>
<td><strong>39,278,950</strong></td>
<td><strong>26,065,513</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>With Donor Restrictions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose restricted (Note 8)</td>
<td>322,672</td>
<td>297,572</td>
</tr>
<tr>
<td>Perpetual in nature</td>
<td>2,015,574</td>
<td>2,029,388</td>
</tr>
<tr>
<td><strong>Total with donor restrictions (Note 8)</strong></td>
<td><strong>2,338,246</strong></td>
<td><strong>2,326,960</strong></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>41,617,196</strong></td>
<td><strong>28,392,473</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$44,119,213</strong></td>
<td><strong>$31,644,680</strong></td>
</tr>
</tbody>
</table>

See notes to financial statements.
<table>
<thead>
<tr>
<th>Campaign revenue, support and other</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campaign results</td>
<td>$ 10,123,128</td>
<td>-</td>
<td>$ 10,123,128</td>
<td>$ 13,387,734</td>
</tr>
<tr>
<td>Less amounts designated by donors</td>
<td>(1,239,485)</td>
<td>-</td>
<td>(1,239,485)</td>
<td>(2,049,162)</td>
</tr>
<tr>
<td>to specific organizations (Note 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less provision for uncollectible</td>
<td>(486,488)</td>
<td>-</td>
<td>(486,488)</td>
<td>(784,883)</td>
</tr>
<tr>
<td>pledges receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net campaign revenue</td>
<td>8,397,155</td>
<td>-</td>
<td>8,397,155</td>
<td>10,553,689</td>
</tr>
<tr>
<td>Support and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated in-kind services (Note 1)</td>
<td>175,890</td>
<td>-</td>
<td>175,890</td>
<td>860,920</td>
</tr>
<tr>
<td>Bad debt recoveries</td>
<td>119,407</td>
<td>-</td>
<td>119,407</td>
<td>209,035</td>
</tr>
<tr>
<td>Management fee income</td>
<td>89,419</td>
<td>-</td>
<td>89,419</td>
<td>97,326</td>
</tr>
<tr>
<td>Other contributions</td>
<td>48,750</td>
<td>-</td>
<td>48,750</td>
<td>68,148</td>
</tr>
<tr>
<td>Grant income</td>
<td>10,340</td>
<td>-</td>
<td>10,340</td>
<td>21,547</td>
</tr>
<tr>
<td>Charitable grant</td>
<td>10,000,000</td>
<td>-</td>
<td>10,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Grant administration fees</td>
<td>905,742</td>
<td>-</td>
<td>905,742</td>
<td>-</td>
</tr>
<tr>
<td>Paycheck Protection Program forgiveness</td>
<td>210,300</td>
<td>-</td>
<td>210,300</td>
<td>-</td>
</tr>
<tr>
<td>Rental Income (Note 3)</td>
<td>5,280</td>
<td>101,016</td>
<td>106,296</td>
<td>106,296</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>17,540</td>
<td>-</td>
<td>17,540</td>
<td>1,641</td>
</tr>
<tr>
<td>Investment gain (loss), net (Note 3)</td>
<td>2,199,448</td>
<td>(15,865)</td>
<td>2,183,583</td>
<td>(303,493)</td>
</tr>
<tr>
<td>Total support and other</td>
<td>13,782,116</td>
<td>85,151</td>
<td>13,867,267</td>
<td>1,061,420</td>
</tr>
<tr>
<td>Total net campaign revenue,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>support and other</td>
<td>22,179,271</td>
<td>85,151</td>
<td>22,264,422</td>
<td>11,615,109</td>
</tr>
<tr>
<td>Grants and designations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community impact grants and designations</td>
<td>7,625,201</td>
<td>-</td>
<td>7,625,201</td>
<td>5,313,281</td>
</tr>
<tr>
<td>Less amounts designated by donors</td>
<td>(1,239,485)</td>
<td>-</td>
<td>(1,239,485)</td>
<td>(2,049,162)</td>
</tr>
<tr>
<td>to specific organizations (Note 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net grants</td>
<td>6,385,716</td>
<td>-</td>
<td>6,385,716</td>
<td>3,264,119</td>
</tr>
<tr>
<td>Functional expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>405,018</td>
<td>-</td>
<td>405,018</td>
<td>473,122</td>
</tr>
<tr>
<td>Support services</td>
<td>2,248,965</td>
<td>-</td>
<td>2,248,965</td>
<td>3,225,797</td>
</tr>
<tr>
<td>Total functional expenses</td>
<td>2,653,983</td>
<td>-</td>
<td>2,653,983</td>
<td>3,698,919</td>
</tr>
</tbody>
</table>

See notes to financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total grants and functional expenses</td>
<td>$ 9,039,699</td>
<td>$ -</td>
<td>$ 9,039,699</td>
<td>$ 6,963,038</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>73,865</td>
<td>(73,865)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>13,213,437</td>
<td>11,286</td>
<td>13,224,723</td>
<td>4,652,071</td>
</tr>
<tr>
<td>Net assets at the beginning of the year</td>
<td>26,065,513</td>
<td>2,326,960</td>
<td>28,392,473</td>
<td>23,740,402</td>
</tr>
<tr>
<td>Net assets at the end of the year</td>
<td>$ 39,278,950</td>
<td>$ 2,338,246</td>
<td>$ 41,617,196</td>
<td>$ 28,392,473</td>
</tr>
</tbody>
</table>

See notes to financial statements.
# UNITED WAY OF GREATER KNOXVILLE, INC.
## Statement of Functional Expenses
### Year Ended March 31, 2021
(with summarized financial information for the year ended March 31, 2020)

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>PROGRAM SERVICES</th>
<th>SUPPORT SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health</td>
<td>Education</td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Services</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and related expenses</td>
<td>$633</td>
<td>$4,473</td>
</tr>
<tr>
<td>Non-personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental and maintenance of equipment</td>
<td>117</td>
<td>823</td>
</tr>
<tr>
<td>Donated services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Media, brochures and advertising</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td>Membership dues and permits</td>
<td>47</td>
<td>382</td>
</tr>
<tr>
<td>Professional and contract fees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>39</td>
<td>278</td>
</tr>
<tr>
<td>Supplies</td>
<td>6</td>
<td>423</td>
</tr>
<tr>
<td>Building occupancy</td>
<td>23</td>
<td>161</td>
</tr>
<tr>
<td>Meetings and events</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>10</td>
<td>72</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Staff development</td>
<td>-</td>
<td>450</td>
</tr>
<tr>
<td>Telephone</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Auto allowances and car</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total non-personnel expenses</td>
<td>743</td>
<td>2,600</td>
</tr>
<tr>
<td>Total functional expenses</td>
<td>$1,376</td>
<td>$7,073</td>
</tr>
</tbody>
</table>

See notes to financial statements.
### UNITED WAY OF GREATER KNOXVILLE, INC.
AND ITS OPERATING DIVISIONS

**Statements of Cash Flows**

**Years Ended March 31, 2021 and 2020**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$13,224,723</td>
<td>$4,652,071</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>75,580</td>
<td>69,280</td>
</tr>
<tr>
<td>Unrealized (gain) loss on endowment</td>
<td>(1,951,167)</td>
<td>443,460</td>
</tr>
<tr>
<td>Realized gain on endowment</td>
<td>(186,416)</td>
<td>(95,861)</td>
</tr>
<tr>
<td>Paycheck Protection Program loan forgiveness</td>
<td>(210,300)</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in allowance for uncollectible pledges</td>
<td>(86,460)</td>
<td>(347,414)</td>
</tr>
<tr>
<td>Net earnings from endowment fund</td>
<td>(18,736)</td>
<td>(18,466)</td>
</tr>
<tr>
<td>Decrease (increase) in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>822,227</td>
<td>(386,958)</td>
</tr>
<tr>
<td>Prepaid items and other current assets</td>
<td>111,938</td>
<td>(38,182)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>41,806</td>
<td>(48,319)</td>
</tr>
<tr>
<td>(Decrease) increase in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(139,891)</td>
<td>164,282</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(593,435)</td>
<td>(5,290,030)</td>
</tr>
<tr>
<td>Amounts designated by donors for specific organizations</td>
<td>(297,691)</td>
<td>(1,115,968)</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>10,792,178</td>
<td>(2,012,105)</td>
</tr>
</tbody>
</table>

**Cash Flows From Investing Activities**

| Maturities of (Investments in) certificates of deposit | 2,050,398 | (88,443) |
| Acquisition of property and equipment | (67,929) | (48,121) |
| Net cash from investing activities | 1,982,469 | (136,564) |

**Cash Flows From Financing Activities**

| Proceeds from notes payable | 491,127   | -         |
| Net cash from financing activities | 491,127   | -         |

**Net change in cash, cash equivalents, and restricted cash**

| 13,265,774 | (2,148,669) |
| Cash, cash equivalents, and restricted cash at the beginning of the year | 13,188,544 | 15,337,213 |
| Cash, cash equivalents, and restricted cash at the end of the year | $26,454,318 | $13,188,544 |

See notes to financial statements.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The United Way of Greater Knoxville, Inc. and Its Operating Divisions, the United Ways of Union, Jefferson, and Grainger Counties (collectively, the “Organization”), is a non-profit organization which provides supporting services and other assistance to public and private agencies and community organizations to meet the human service needs of the general public of Greater Knoxville, Union County, Jefferson County, and Grainger County, Tennessee.

Financial Statements - The financial statements include United Way of Greater Knoxville, Inc., and Its Operating Divisions: the United Ways of Union, Jefferson, and Grainger Counties. All interdivisional transactions have been eliminated.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles (“GAAP”). Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended March 31, 2020, from which the summarized information was derived.

Cash and Cash Equivalents - For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash - Restricted cash consists of funds held by the Monday Trustees as further described in Note 7 to the financial statements.

Net Asset Classification - Net assets are classified into two components as defined below:

• Without Donor Restrictions - This component of net assets consists of net assets that do not meet the definition of “restricted”. These net assets are available for current use by the Board.

• With Donor Restrictions - This component of net assets consists of restrictions placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations or other governments or restrictions imposed by law through constitutional provisions or enabling legislation. At March 31, 2021 and 2020, net assets with donor restrictions totaled $2,338,246 and $2,326,960 respectively are restricted for the use of the prescribed fund.

Revenue Recognition - The Organization records pledges and contributions received as without donor restrictions or with donor restrictions support depending on the existence and nature of any donor restrictions. Pledges receivable are recognized when the donors makes a promise to give to the Organization that is, in substance, unconditional. All other donor-restricted pledges are reported as increases in net assets with donor restrictions. When a restriction expires (i.e. when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “other net assets released from restrictions.”

Allowance for Uncollectible Pledges - The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on prior experience and management’s analysis of specific pledges made. Periodically, management reviews pledges receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**Functional Expense Allocation** - The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the cost of staff time identified to those specific programs and activities.

**Property and Equipment** - Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose or time of use. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The Organization capitalizes property and equipment with an original cost of at least $750. Depreciation is computed on the straight-line method over the estimated useful lives of the assets and is considered a cost of operations.

**Donated In-Kind Advertising Services** - The value of donated in-kind advertising services, mainly consisting of media time, has been recorded as in-kind revenue and expensed in the amounts of $175,890 and $860,920 for 2021 and 2020, respectively, and is included in the Statement of Activities and Changes in Net Assets. Throughout the year, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No value has been assigned to this volunteer time.

**Income Tax Status** - The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code (“IRC”) §501(c)(3). Accordingly, no provision for federal income taxes has been made. Management is not aware of any uncertain tax positions as of March 31, 2021.

The Organization’s Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

The Organization is not aware of any unrelated business income that would trigger a taxable event for the tax years still open for examination.

**Grants and Designations** - The Organization routinely provides grant dollars to partner agencies in the Knox County area. Donors, at their discretion, may make designations to these specific organizations. Grants are reviewed and approved by the board preceding the grant year in which they would be paid. See additional information related to designations to specific organizations in Note 2.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could vary from those estimates.
Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and promises to give receivable. The Organization places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to pledges receivable are limited due to the large number of contributors comprising the Organization’s contributor base and their dispersion across different industries and geographic areas. Insurance coverage is limited to $250,000 per depositor at each financial institution, and the Organization’s cash balances may exceed federally insured limits.

For the years ended March 31, 2021 one donor group made up 15% of contributions, and for the years ended March 31, 2020 two donor group made up 21% of contributions.

Reclassifications - Certain reclassifications have been made to the 2020 balances in order to conform to the 2021 presentation with no effect on the previously reported net assets or change in net assets.

Recent Adopted New Accounting Pronouncements - In November 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-18, Statement of Cash Flows, which amends FASB Codification Topic 230: Statement of Cash Flows, and is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The objective of the ASU is to provide guidance on the presentation for the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents on the statement of cash flows.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which amends FASB Codification Topic 958: Not-For-Profit Entities, and is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The objective of the ASU is to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by NFP organizations.

The ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution, falling in scope of Topic 958, or as an exchange transaction, falling in scope of Topic 606, Revenue From Contracts with Customers. The ASU accomplishes this by clarifying how a NFP organization determines whether a resource provider is participating in an exchange transaction (i.e. receiving commensurate value).

Additionally, the ASU provides additional guidance to determine whether a contribution is conditional and more thoroughly distinguishes a donor-imposed condition from a donor-imposed restriction by requiring organizations to determine whether a contribution is conditional based on whether an agreement includes (1) a barrier that must be overcome and/or (2) either a right to return of assets transferred or a right of release of promisor’s obligation to transfer assets. Once conditionality has been determined, the organization must recognize contribution revenue or expense in line with when conditions have been met. Upon meeting conditions, the organization must then determine whether the contribution is of restricted nature and recognize in the appropriate net asset class.

The Organization, as permitted, has elected to adopt this ASU using the modified prospective method of implementation. This requires that the amendments of the ASU be applied to contribution agreements not completed as of the effective date or entered into after the effective date. Management has evaluated contributions within the previously mentioned context and has determined there to be no material effect on timing or amount of contribution revenue recognized compared to prior practices.

Date of Management’s Review - Management has evaluated events and transactions occurring subsequent to the statement of financial position date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the auditors’ report, which is the date these financial statements were available to be issued.
NOTE 2 - AMOUNTS DONATED BY DONORS FOR SPECIFIC ORGANIZATIONS

The Organization has included $1,239,485 and $2,049,162 of amounts designated by donors for specific organizations as a portion of total campaign results on the Statements of Activities and Changes in Net Assets for the fiscal years ended March 31, 2021 and 2020, respectively. These amounts include funds pledged to the Organization but designated by the donor to other organizations.

The Organization does not retain variance power related to these designations. They are treated as agency transactions rather than contributions and are reflected as liabilities of the Organization. The Statements of Activities and Changes in Net Assets show a reduction of campaign results for these pledges and also a reduction of grant expense for the pledges.

NOTE 3 - NET INVESTMENT RETURN

The net investment returns for the years ended March 31, 2021 and 2020 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$45,765</td>
<td>$36,847</td>
</tr>
<tr>
<td>Interest income</td>
<td>21,402</td>
<td>25,640</td>
</tr>
<tr>
<td>Unrealized gain (loss)</td>
<td>1,951,167</td>
<td>(443,460)</td>
</tr>
<tr>
<td>Realized gain</td>
<td>186,416</td>
<td>95,861</td>
</tr>
<tr>
<td>Rental income</td>
<td>106,296</td>
<td>106,296</td>
</tr>
<tr>
<td>Other</td>
<td>(21,167)</td>
<td>(18,381)</td>
</tr>
<tr>
<td></td>
<td>$2,289,879</td>
<td>(197,197)</td>
</tr>
</tbody>
</table>

NOTE 4 - PROPERTY AND EQUIPMENT

The following table summarizes the estimated useful lives, cost of purchased land, building, and equipment and the fair value of the donated land:

<table>
<thead>
<tr>
<th></th>
<th>Estimated Useful Life</th>
<th>2021</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without Donor Restrictions</td>
<td>With Donor Restrictions</td>
<td>Total</td>
</tr>
<tr>
<td>Land N/A</td>
<td>$51,050 $1,839,520 $1,890,570</td>
<td>$1,890,570</td>
<td>$1,890,570</td>
</tr>
<tr>
<td>Building 18 - 32 years</td>
<td>1,389,465</td>
<td>-</td>
<td>1,389,465</td>
</tr>
<tr>
<td>Equipment and furniture 5 - 15 years</td>
<td>625,112</td>
<td>-</td>
<td>625,112</td>
</tr>
<tr>
<td></td>
<td>2,065,627 1,839,520 3,905,147</td>
<td>3,853,176</td>
<td>1,373,189</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,432,811)</td>
<td>-</td>
<td>(1,432,811)</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$632,816</td>
<td>1,839,520</td>
<td>$2,472,336</td>
</tr>
</tbody>
</table>
**NOTE 5 - NOTES PAYABLE**

Installment notes payable as of March 31, 2021 and 2020 consisted of the following:

<table>
<thead>
<tr>
<th>Note payable to a financial institution due in monthly installments of $6,502 including interest at 1.00%, maturing in March 2026, no collateral.</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$280,827</td>
<td>-</td>
</tr>
</tbody>
</table>

Less installments due within a year

<table>
<thead>
<tr>
<th>Note payable to a financial institution due in monthly installments of $6,502 including interest at 1.00%, maturing in March 2026, no collateral.</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$75,571</td>
<td>-</td>
</tr>
</tbody>
</table>

Maturities of installment notes payable are summarized as follows:

<table>
<thead>
<tr>
<th>Year ending March 31,</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$75,571</td>
<td>-</td>
</tr>
<tr>
<td>2023</td>
<td>76,331</td>
<td>-</td>
</tr>
<tr>
<td>2024</td>
<td>77,097</td>
<td>-</td>
</tr>
<tr>
<td>2025</td>
<td>51,828</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ending March 31,</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$280,827</td>
<td>-</td>
</tr>
</tbody>
</table>

**NOTE 6 - PENSION PLAN**

The Organization has a defined contribution pension plan covering substantially all employees. Plan benefits are cliff vested after three years. The monthly employer contribution on behalf of a participant is 8.8% of the participant's compensation. The contribution will not exceed the maximum amount allowed by the Internal Revenue Service regulations. The amount contributed by the Organization to the defined contribution plan amounted to $49,027 and $80,432 for the fiscal years ended March 31, 2021 and 2020, respectively.

**NOTE 7 - LAND LEASES AND RELATED RENTAL INCOME**

The Organization owns the following properties and other related operating leases:

<table>
<thead>
<tr>
<th>Recorded Value</th>
<th>Rental Income</th>
<th>Recorded Value</th>
<th>Rental Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northgate Shopping Center-Land (Tract I)</td>
<td>$478,800</td>
<td>$65,000</td>
<td>$478,800</td>
</tr>
<tr>
<td>Northgate Shopping Center-Land (Tract II)</td>
<td>$110,720</td>
<td>-</td>
<td>$110,720</td>
</tr>
<tr>
<td>Papermill LaQuinta Inn/Fuse Church - Land</td>
<td>$1,250,000</td>
<td>$36,019</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Other miscellaneous rents</td>
<td>-</td>
<td>$5,277</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,839,520</td>
<td>$106,296</td>
</tr>
<tr>
<td>$1,839,520</td>
<td>$106,296</td>
</tr>
</tbody>
</table>
NOTE 7 - LAND LEASES AND RELATED RENTAL INCOME – (Continued)

These land leases are classified as non-cancelable operating leases with remaining terms ranging from 19 to 45 years. Future minimum rental receipts under the non-cancelable operating leases with remaining terms in excess of one year as of March 31, 2021 are as follows:

<table>
<thead>
<tr>
<th>Year ending March 31,</th>
<th>2022</th>
<th>$106,853</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>108,019</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>108,019</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>108,019</td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>108,019</td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>2,169,685</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,708,614</strong></td>
<td></td>
</tr>
</tbody>
</table>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or time periods as of March 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday deed of gift</td>
<td>$1,839,520</td>
<td>$1,839,520</td>
</tr>
<tr>
<td>Endowment with donor restrictions</td>
<td>176,054</td>
<td>128,871</td>
</tr>
<tr>
<td>Prior year adjustment to Monday deed of gift</td>
<td>-</td>
<td>60,997</td>
</tr>
<tr>
<td>Net assets with donor restrictions - perpetual in nature</td>
<td>$2,015,574</td>
<td>$2,029,388</td>
</tr>
<tr>
<td>Net assets with donor restrictions - purpose restricted</td>
<td>$322,672</td>
<td>$297,572</td>
</tr>
</tbody>
</table>

NOTE 9 - CHANGE IN BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The change in beneficial interest in assets held by others is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$45,765</td>
<td>$36,847</td>
</tr>
<tr>
<td>Realized gain</td>
<td>180,554</td>
<td>95,861</td>
</tr>
<tr>
<td>Unrealized gain (loss)</td>
<td>1,951,167</td>
<td>(443,460)</td>
</tr>
<tr>
<td>Administrative fees</td>
<td>(21,167)</td>
<td>(18,381)</td>
</tr>
<tr>
<td>Earnings on beneficial interest in assets held by others, net</td>
<td><strong>$2,156,319</strong></td>
<td><strong>$297,133</strong></td>
</tr>
</tbody>
</table>
NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

As discussed in Note 1, when a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as “Net assets released from restrictions”. During the years ended March 31, 2021 and 2020, net assets with donor restrictions of $101,016 and $106,296 were received in by the Organization. Amounts of $73,865 were released from restriction and expended as of March 31, 2021. Accordingly, these funds are reflected as changes in net asset with donor restrictions in the accompanying Statement of Activities.

NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

The net assets without donor restrictions - board designated consists of $11,139,146 and $9,654,071 at March 31, 2021 and 2020, respectively, set aside by the Organization’s Board of Directors in the Endowment Fund, Operating Stabilization Reserve (the “Reserve”) and Organization Operating Reserves.

The Reserve was established by the Organization’s Board of Directors on March 31, 2006. The Reserve had balances of $2,644,235 and $2,333,623 at March 31, 2021 and 2020, respectively. The Reserve assists in maintaining financial stability for the Organization and can be used to cover unanticipated expenses or pledge collection losses. The recommended balance of the Reserve is determined annually by the Operations Committee based upon a calculation that takes into consideration financial directives of the Organization’s Board of Directors.

The Endowment Fund (the “Fund”) is a Board designated vehicle used to accumulate funds over time with a long-term goal of funding the Organization’s operating expenses from the earnings of the fund. The Fund is managed by the East Tennessee Foundation. Principal may only be removed from the Fund with two consecutive majority votes of the Board of Directors and approval by the East Tennessee Foundation Board of Directors.

The activity in the fund for the years ended March 31, 2021 and 2020 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>$5,897,511</td>
<td>$6,226,644</td>
</tr>
<tr>
<td>Investment return, net (see Note 9)</td>
<td>2,156,319</td>
<td>(329,133)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>$8,053,830</td>
<td>$5,897,511</td>
</tr>
</tbody>
</table>

The balance of the Net Assets Without Donor Restrictions - Designated at March 31, 2021 and 2020 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Stabilization Reserve</td>
<td>$2,608,894</td>
<td>$9,536,994</td>
</tr>
<tr>
<td>Endowment Fund</td>
<td>$8,053,830</td>
<td></td>
</tr>
<tr>
<td>Designated Other Reserves</td>
<td>$324,004</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$10,986,728</td>
<td></td>
</tr>
<tr>
<td>United Way of Greater Knoxville</td>
<td>$2,644,235</td>
<td>$9,654,071</td>
</tr>
<tr>
<td>United Way of Union County</td>
<td>4,033</td>
<td>23,568</td>
</tr>
<tr>
<td>United Way of Jefferson County</td>
<td>20,048</td>
<td>83,477</td>
</tr>
<tr>
<td>United Way of Grainger County</td>
<td>11,260</td>
<td>63,429</td>
</tr>
</tbody>
</table>

$2,644,235 $8,053,830 $324,004 $117,077 $11,139,146 $9,654,071
NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization values investments using the guidance in Financial Accounting Standards Board Codification 820-10-50-5, which provides a hierarchy by which to measure fair value. Level 1 inputs are based value upon quoted prices for identical assets or liabilities in active markets. Level 2 inputs are based value upon quoted prices for similar assets or liabilities in active markets or other market-based information, and Level 3 inputs are based on modeling. As of March 31, 2021, the Organization’s long-term comngled investment pool consisted of 94.2% in Level 1, primarily mutual funds and 5.8% in Level 3, consisting of absolute return pool and private equity, resources and real estate.

Investments as of March 31, 2021 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets without donor restrictions</td>
<td>$7,877,775</td>
<td>$7,877,775</td>
</tr>
<tr>
<td>Net assets with donor restrictions</td>
<td>176,055</td>
<td>176,055</td>
</tr>
<tr>
<td>East Tennessee Foundation Endowment</td>
<td>$8,053,830</td>
<td>$8,053,830</td>
</tr>
</tbody>
</table>

Investments as of March 31, 2020 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets without donor restrictions</td>
<td>$5,768,640</td>
<td>$5,768,640</td>
</tr>
<tr>
<td>Net assets with donor restrictions</td>
<td>128,871</td>
<td>128,871</td>
</tr>
<tr>
<td>East Tennessee Foundation Endowment</td>
<td>$5,897,511</td>
<td>$5,897,511</td>
</tr>
</tbody>
</table>

The following schedule summarizes the Endowment investment return and activities for the years ended March 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>$5,897,511</td>
<td>$6,226,644</td>
</tr>
<tr>
<td>Dividends and contributions</td>
<td>45,765</td>
<td>36,847</td>
</tr>
<tr>
<td>Realized gain</td>
<td>180,554</td>
<td>95,861</td>
</tr>
<tr>
<td>Unrealized gain (loss)</td>
<td>1,951,167</td>
<td>(443,460)</td>
</tr>
<tr>
<td>Administrative fees</td>
<td>(21,167)</td>
<td>(18,381)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>$8,053,830</td>
<td>$5,897,511</td>
</tr>
</tbody>
</table>
NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS - (Continued)

The following is the aggregate carrying amounts by major types as of March 31, 2021:

<table>
<thead>
<tr>
<th>Major Type</th>
<th>Level 1</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi asset mutual fund</td>
<td>5,194,720</td>
<td></td>
<td>5,194,720</td>
</tr>
<tr>
<td>Equity mutual funds</td>
<td>1,570,497</td>
<td></td>
<td>1,570,497</td>
</tr>
<tr>
<td>Fixed income mutual funds</td>
<td>821,491</td>
<td></td>
<td>821,491</td>
</tr>
<tr>
<td>Absolute return pool</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private equity funds</td>
<td></td>
<td>418,799</td>
<td>418,799</td>
</tr>
<tr>
<td>Private real estate &amp; natural resource funds</td>
<td></td>
<td>48,323</td>
<td>48,323</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,586,708</strong></td>
<td><strong>467,122</strong></td>
<td><strong>8,053,830</strong></td>
</tr>
</tbody>
</table>

The following is the aggregate carrying amounts by major types as of March 31, 2020:

<table>
<thead>
<tr>
<th>Major Type</th>
<th>Level 1</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi asset mutual fund</td>
<td>3,662,354</td>
<td></td>
<td>3,662,354</td>
</tr>
<tr>
<td>Equity mutual funds</td>
<td>1,061,552</td>
<td></td>
<td>1,061,552</td>
</tr>
<tr>
<td>Fixed income mutual funds</td>
<td>790,266</td>
<td></td>
<td>790,266</td>
</tr>
<tr>
<td>Absolute return pool</td>
<td></td>
<td>5,898</td>
<td>5,898</td>
</tr>
<tr>
<td>Private equity funds</td>
<td></td>
<td>318,466</td>
<td>318,466</td>
</tr>
<tr>
<td>Private real estate &amp; natural resource funds</td>
<td></td>
<td>58,975</td>
<td>58,975</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,514,172</strong></td>
<td><strong>383,339</strong></td>
<td><strong>5,897,511</strong></td>
</tr>
</tbody>
</table>

East Tennessee Foundation does not provide adequate information to separate the aggregate amounts that they report to the Organization for income, gains, expenses, and losses into amounts associated with Level 1 and Level 3. Consequently, the net change in Level 3 investments for the year is unable to be disclosed.

Endowment Agreement

The Organization entered into an agreement with the East Tennessee Foundation (the “Foundation”) to establish an endowment fund. The endowment fund is the property of the Foundation, and the Foundation has ultimate authority and control of all property of the fund, and the income derived thereof, for the charitable purposes of the Foundation. The net income, or an amount equal to the annual spending rate (a percentage of fair value), is to be distributed to the Organization each year. Upon 75% vote of approval of the Board of Directors of the Organization, and with the approval of the Foundation, which approval shall not be unreasonably withheld, the fund or some portion thereof may be distributed. The Board of Directors of the Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, undesirable, impractical, incapable of fulfillment, or inconsistent with the charitable needs of the community served. At March 31, 2021 and 2020, $7,877,775 and $5,768,640 of contributions, accumulated earnings and unrealized gains of endowment fund assets were available to be spent, respectively. This amount is presented in unrestricted net assets. The amount of $176,055 and $128,871 at March 31, 2021 and 2020, respectively, of endowment fund assets represents donor contributions and is reported in net assets with restrictions based on the donors’ restrictions on the amounts they contributed.
NOTE 13 - AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of March 31, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the quasi endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

Financial assets available to meet cash needs for general expenditures within one year as of March 31, 2021 and 2020 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets per statement of financial position</td>
<td>$ 44,119,213</td>
<td>$ 31,644,680</td>
</tr>
<tr>
<td>Less those unavailable for general expenditures within one year, due to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>(2,472,336)</td>
<td>(2,479,987)</td>
</tr>
<tr>
<td>Contractual or donor-imposed restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subject to appropriation and satisfaction of donor restrictions</td>
<td>(322,672)</td>
<td>(297,572)</td>
</tr>
<tr>
<td>Board designations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quasi endowment</td>
<td>(8,053,830)</td>
<td>(5,897,511)</td>
</tr>
<tr>
<td>Amounts set aside for liquidity reserve</td>
<td>(3,085,316)</td>
<td>(3,756,560)</td>
</tr>
<tr>
<td>Financial assets available to meet cash needs for general expenditures within one year</td>
<td>$ 30,185,059</td>
<td>$ 19,213,050</td>
</tr>
</tbody>
</table>

NOTE 14 - BUSINESS RISK AND UNCERTAINTIES

On March 11, 2020, the World Health Organization designated COVID-19 a world health pandemic. Our existing contingency and disaster preparedness plans give management the tools necessary to guide the Organization through such circumstances. We have evaluated the short-term and long-term impacts of this pandemic on the Company, the outcome of which is not predictable with assurance, and it is possible that the Organization could be affected negatively by these circumstances. Although the ultimate financial impact of this pandemic cannot be ascertained, through a thorough evaluation of cash, our donor base, and our overhead projections, management believes that any resulting financial impact should not materially affect the financial position of the Organization as of March 31, 2021.
NOTE 15 - CARES ACT

On March 27, 2020, former President Trump signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferral of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. Management is currently evaluating how these provisions of the CARES Act will impact the Organization’s financial position, results of operations, and cash flows.

The CARES Act also appropriated funds for the SBA Paycheck Protection Program ("PPP") loans that are forgivable in certain situations to promote continued employment to provide liquidity to small businesses and not-for-profit organizations harmed by COVID-19.

The organization applied for, and in April 2020 received, funds under the Paycheck Protection Program. The organization received funds in the amount of $210,300. The PPP loan was forgiven in full in October 2020, and reflected as income as of March 31, 2021.

The Organization applied for a second draw, and in March 2021 received, funds under the Paycheck Protection Program. The Company received funds in the amount of $280,827. The organization expects that the PPP loan will be substantially, if not fully, forgiven. The actual amount of loan forgiveness will depend, in part, on the total amount of payroll costs and other eligible costs paid during the covered period. Payments on the PPP loan are deferred until a determination of the amount of forgiveness is made by the SBA. Interest on the PPP loan amount not forgiven will be at 1%. The maturity of the PPP loan is currently 5 years.

NOTE 16 - SUBSEQUENT EVENTS

On April 1, 2021, Organization converted to a 401(k) defined contribution plan covering all employees. The plan allows for immediate eligibility upon hire and immediate vesting of all employer contributions. The guaranteed monthly employer contribution on behalf of a participant is 4.8% of the participant’s compensation. Additionally, monthly employer contribution on behalf of a participant is a 100% match on participant’s contributions up to 4% of the participant’s compensation. The contribution will not exceed the maximum amount allowed by the Internal Revenue Service regulations.