

Glide Foundation

Financial Statements

June 30, 2021

(With Comparative Totals for 2020)



TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6 - 7
Notes to Financial Statements	8 - 28

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Glide Foundation
San Francisco, CA

We have audited the accompanying financial statements of Glide Foundation (a California nonprofit corporation) (the "Foundation"), which comprise the statement of financial position as of June 30, 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.

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.

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

We believe 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 Glide Foundation as of June 30, 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 Glide Foundation's 2020 financial statements, and our report dated December 17, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Armanino^{LLP}
San Ramon, California

May 4, 2022

Glide Foundation
Statement of Financial Position
June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,899,333	\$ 10,346,346
Line of credit collateral	1,582,669	-
Restricted cash for CDE	8,211	8,205
Certificates of deposit	3,021,386	3,707,699
Prepaid expenses and other assets	463,125	456,997
Contributions, grants and other receivables, net	1,559,473	539,506
Contracts receivable	1,082,415	692,366
Investments	11,611,317	9,645
Deferred compensation assets	2,061,806	1,738,193
Property and equipment, net	31,883,870	6,088,467
Total assets	\$ 57,173,605	\$ 23,587,424
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,579,534	\$ 1,147,294
Accrued expenses	1,140,585	1,258,863
Loan payable	2,642,273	2,642,273
Deferred compensation liability	2,061,806	1,738,193
Capital lease obligation	26,793	42,657
Asset retirement obligation	25,001	152,528
CDE reserve liability	8,211	-
Total liabilities	7,484,203	6,981,808
Net assets		
Without donor restrictions		
Board-designated for operations	645,648	2,145,648
Board-designated for endowment	1,722	9,840
Undesignated	46,894,906	8,077,717
Total without donor restrictions	47,542,276	10,233,205
With donor restrictions		
Total net assets	49,689,402	16,605,616
Total liabilities and net assets	\$ 57,173,605	\$ 23,587,424

The accompanying notes are an integral part of these financial statements.

Glide Foundation
Statement of Activities
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue				
Contributions, grants, and other income	\$ 15,471,090	\$ 4,221,408	\$ 19,692,498	\$ 16,222,317
Contract revenue	5,421,761	-	5,421,761	5,450,990
Other income	127,527	-	127,527	-
Interest and investment income (loss), net	245,697	(8,145)	237,552	338,042
Net assets released from restrictions	<u>8,438,548</u>	<u>(8,438,548)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>29,704,623</u>	<u>(4,225,285)</u>	<u>25,479,338</u>	<u>22,011,349</u>
Functional expenses				
Program services				
Program	17,738,231	-	17,738,231	18,432,178
Church	<u>1,284,308</u>	<u>-</u>	<u>1,284,308</u>	<u>1,346,898</u>
Total program services	<u>19,022,539</u>	<u>-</u>	<u>19,022,539</u>	<u>19,779,076</u>
Support services				
General and administration	2,911,156	-	2,911,156	3,384,286
Fund development	<u>2,172,464</u>	<u>-</u>	<u>2,172,464</u>	<u>2,578,236</u>
Total support services	<u>5,083,620</u>	<u>-</u>	<u>5,083,620</u>	<u>5,962,522</u>
Total functional expenses	<u>24,106,159</u>	<u>-</u>	<u>24,106,159</u>	<u>25,741,598</u>
Change in net assets from operations	<u>5,598,464</u>	<u>(4,225,285)</u>	<u>1,373,179</u>	<u>(3,730,249)</u>
Non-operating				
Transfer of investments from Glide Legacy Fund	11,790,758	-	11,790,758	-
Transfer in connection with receipt of real property	25,919,849	-	25,919,849	-
Distribution in consideration for real property from trust	<u>(6,000,000)</u>	<u>-</u>	<u>(6,000,000)</u>	<u>-</u>
Total non-operating	<u>31,710,607</u>	<u>-</u>	<u>31,710,607</u>	<u>-</u>
Change in net assets	37,309,071	(4,225,285)	33,083,786	(3,730,249)
Net assets, beginning of year	<u>10,233,205</u>	<u>6,372,411</u>	<u>16,605,616</u>	<u>20,335,865</u>
Net assets, end of year	<u>\$ 47,542,276</u>	<u>\$ 2,147,126</u>	<u>\$ 49,689,402</u>	<u>\$ 16,605,616</u>

The accompanying notes are an integral part of these financial statements.

Glide Foundation
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program	Church	General and Administration	Fund Development	2021 Total	2020 Total
Personnel expenses						
Salaries and wages	\$ 9,472,119	\$ 541,598	\$ 1,026,323	\$ 595,930	\$ 11,635,970	\$ 11,835,164
Employee benefits	1,730,020	68,188	118,793	68,977	1,985,978	2,274,858
Payroll taxes	<u>797,357</u>	<u>31,427</u>	<u>54,751</u>	<u>31,791</u>	<u>915,326</u>	<u>859,365</u>
Total personnel expenses	11,999,496	641,213	1,199,867	696,698	14,537,274	14,969,387
Professional services	1,047,281	220,203	744,170	660,960	2,672,614	2,949,052
In-kind donations	1,436,944	2,660	147,790	40,577	1,627,971	1,666,279
Depreciation and amortization	666,066	30,733	190,547	110,640	997,986	1,183,092
Occupancy	561,490	27,523	170,648	99,085	858,746	1,103,179
Food cost	561,525	353	7,571	-	569,449	536,760
Information technology	292,374	27,014	133,274	42,491	495,153	340,978
Postage and printing	224,819	19,636	57,603	171,410	473,468	494,871
Other expenses	109,332	63,298	88,247	22,794	283,671	254,869
Holiday events	6,785	-	88	254,908	261,781	612,391
Insurance	164,659	14,833	42,759	24,824	247,075	258,488
Production and events	-	206,942	942	8,229	216,113	286,350
Kitchen supplies	183,917	-	5,636	-	189,553	147,152
Supplies and equipment	133,901	6,773	27,893	7,345	175,912	159,287
Advertising and public relations	61,943	10,446	16,085	28,639	117,113	117,037
Travel, entertainment and training	61,769	8,522	41,442	3,512	115,245	262,764
Program incentives	113,261	100	-	-	113,361	142,951
Rentals	63,792	384	3,544	-	67,720	154,776
Repairs and maintenance	25,234	144	28,278	241	53,897	52,080
Uniforms	19,602	214	-	-	19,816	28,811
Scholarship awards, gifts and benevolence	3,334	3,317	4,772	111	11,534	5,324
Field trips	<u>707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707</u>	<u>15,720</u>
	<u>\$ 17,738,231</u>	<u>\$ 1,284,308</u>	<u>\$ 2,911,156</u>	<u>\$ 2,172,464</u>	<u>\$ 24,106,159</u>	<u>\$ 25,741,598</u>

The accompanying notes are an integral part of these financial statements.

Glide Foundation
Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 33,083,786	\$ (3,730,249)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	997,986	1,183,092
Net realized and unrealized gain on investments	(190,129)	(165,956)
Changes in asset retirement obligation	(127,527)	-
Transfer of investments from Glide Legacy Fund	(11,321,986)	-
Transfer in connection with receipt of real property	(25,919,849)	-
Changes in operating assets and liabilities		
Prepaid expenses and other assets	(6,128)	(170,438)
Contributions, grants and other receivables, net	(1,019,967)	468,006
Contract receivables	(390,049)	342,169
Accounts payable	432,240	(383,907)
Accrued expenses	(118,278)	291,152
CDE liability	8,211	-
Net cash used in operating activities	<u>(4,571,690)</u>	<u>(2,166,131)</u>
Cash flows from investing activities		
Purchases of certificates of deposit	-	(10,230,292)
Proceeds from maturities of certificates of deposit	686,313	10,154,748
Purchases of property and equipment	(873,540)	(799,071)
Purchases of investments	(400,208)	(362,081)
Proceeds from sales of investments	310,651	4,909,519
Net cash provided by (used in) investing activities	<u>(276,784)</u>	<u>3,672,823</u>
Cash flows from financing activities		
Proceeds from loan payable	-	2,642,273
Payments made on capital lease obligation	(15,864)	(6,381)
Net cash provided by (used in) financing activities	<u>(15,864)</u>	<u>2,635,892</u>
Net increase (decrease) in cash	(4,864,338)	4,142,584
Cash, cash equivalents and restricted cash, beginning of year	<u>10,354,551</u>	<u>6,211,967</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 5,490,213</u>	<u>\$ 10,354,551</u>
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 3,899,333	\$ 10,346,346
Line of credit collateral	1,582,669	-
Restricted cash for CDE	8,211	8,205
	<u>\$ 5,490,213</u>	<u>\$ 10,354,551</u>

The accompanying notes are an integral part of these financial statements.

Glide Foundation
Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
Supplemental schedule of noncash investing and financing activities		
Capital lease for new equipment	\$ -	\$ 49,038
Construction in progress included in accounts payable	\$ 340,059	\$ 50,332
Transfer in connection with receipt of real property	\$ 25,919,849	\$ -

The accompanying notes are an integral part of these financial statements.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

1. ORGANIZATION

The Glide Foundation ("the Foundation" or "Glide"), formerly known as the Board of Trustees of the Glide Foundation, is a nonprofit religious organization formed in 1929 under the laws of the State of California. Its purposes are to promote religion, charity and education in the city of San Francisco, the state of California, and throughout the world. Certain assets of the Foundation are held in trust for certain charitable and religious purposes defined under the terms of a trust instrument executed in 1929 by Lizzie H. Glide. On March 17, 2021, the Foundation formally changed its name to Glide Foundation.

Programs and services:

As part of its mission, the Foundation, located in San Francisco's Tenderloin Community, provides the following services to the socially, economically disadvantaged and marginalized in the San Francisco and broader Bay Area Communities. A variety of human services, education and family programs are provided. These include:

- *Center for Social Justice* - ("the Center") guides the application of the Foundation's vision for a radically inclusive and loving community to its own operations. In the local community, the Center also advocates for public policies that promote the perspectives and needs of San Francisco's underserved residents, so that all people can participate in the city's decisions and abundant resources. The Center leads the Foundation's policy advocacy work, community cultural development, the Unconditional Legal Clinic, and specialized training programs like the Emerging Leaders Internship for university students and Global Ministries programs for visiting leaders from outside the Bay Area.
- *Free Meals Program* - serves three nutritious free meals every day of the year except January 1st. The free Meals Program utilizes one commercial grade kitchen, two dining rooms, and thousands of volunteers.
- *Family Youth and Childcare Center* - provides low income children and their families with culturally competent, multilingual licensed childcare (toddler and preschool age) and K5 after-school programs including tutoring, literacy enhancement, creative arts, advocacy, case management, and nutrition education. In addition, parenting classes and other family support activities are offered through the Family Resource Center.
- *Harm Reduction* - provides culturally competent HIV and Hep C prevention interventions using a harm reduction syringe access services model. Drop-in HIV and Hep C testing is provided onsite and at community-based venues around the City. Outreach is conducted in the Tenderloin neighborhood, providing harm reduction and overdose prevention training and supplies, including safer injection kits, safer sex kits, and safer crack smoking kits. Through conversations with clients during outreach, client needs are assessed and linked to HIV and Hep C treatment, case management, substance use treatment, and medical and dental care.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

1. ORGANIZATION (continued)

- *Community Safety and Training* - supports the Foundation's mission to maintain a safe, welcoming, and supportive environment for everyone seeking services year round, 7 days a week, 364 days a year. Primary areas of responsibilities include monitoring of lines for various services (e.g. Daily Free Meals Program, Emergency Shelter Bed Reservations, special holiday events), crisis prevention, emergency response, conflict de-escalation, event set up support, general building security, and janitorial. The Community Safety and Training Program is also a workforce reentry and job development program for many of the staff who have shared similar life experiences as the community it serves.
- *Violence Prevention* - The Foundation's Women's Center helps women who have slipped through the social safety net and live on the street, in unstable housing situations or are experiencing trauma as a result of domestic violence. Through drop-in support groups, individual counseling and case management, the Women's Center provides a safe space for women as they work towards freeing themselves from unhealthy relationships, reducing the harm of risky behaviors and taking incremental steps toward healthier life choices.
- *Men in Progress* - ("MIP") teaches men who want to discontinue their violent behaviors how to break the cycles of violence for themselves, their families, and their communities. This peer reeducation program empowers men to hold themselves and each other accountable for their violence and to learn and practice positive, healthy ways to resolve conflict, build strong personal relationships, and improve coping skills. MIP is a certified batterer's recovery program. Most clients are court-mandated, and their participation is monitored by their Probation Officer.
- *Walk-In Center* - serves as the Foundation's central resource center for emergency/crisis-related services by providing internal and external referrals to the Foundation's on-site programs and other external community and municipal resources so that individuals may empower themselves to make positive changes in their lives.
- *Community Engagement Volunteers* - the Foundation's Community Engagement and Volunteer Program stands to support the organization by connecting the community, programs and volunteer needs together. The Foundation focuses on two parts, bringing willing, skilled volunteers to the Foundation's programs that need this support, and by engaging the community to create Social Justice partners that can go out to share the Foundation's values.
- *Program Development* - program development ensures that the Foundation's strategic programmatic priorities are implemented by designing and developing program infrastructure, outcomes and evaluation metrics, and staff training protocols. This department is responsible for maintaining individual program's fidelity to the strategic plan and serving as a liaison between programs and the senior leadership team.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

1. ORGANIZATION (continued)

- *Church* - Glide Memorial Church ("the Church") and Sunday Celebrations offer a unique weekly connection point, both communal and spiritual, for people from all walks of life. In addition to Sunday services, the Church provides a range of spiritual and human services, including a regionally-recognized dialogue forum for people across the political spectrum (Bridging the Divide), wellness programming, LGBTQ support groups, meditation sessions in the Buddhist tradition, open mic Speak Out forums, and social justice organizing groups.

The Church's practice lifts up people's strength and resilience, seeking to empower people who are surviving the daily challenges of social oppression and economic inequity. Drawing on musical traditions of jazz, blues, gospel, and Negro Spirituals, the Church is rooted in liberation theologies (preferential options for the poor) and celebration of the human spirit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to non-profit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - net assets available for use in general operations and not subject to donor-imposed restrictions. The Foundation's governing board may designate a portion of its net assets without donor restrictions to function as an endowment or quasi-endowment fund.
- *Net assets with donor restrictions* - net assets available subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time and those net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. The investment income and appreciation on net assets held in perpetuity may be spent in accordance with donor-imposed stipulations.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as transfers between the applicable classes of net assets. Contributions with donor-imposed restrictions whose restriction are satisfied in the same reporting period as received are reported as net assets without donor restrictions. Investment income (e.g. interest and dividends and realized and unrealized gains) with donor-imposed restrictions that are met in the same year as earned are also reported as net assets without donor restrictions.

Cash and cash equivalents

The Foundation considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. Financial instruments which are otherwise considered cash equivalents but are intended for long-term investment purposes and are held temporarily until suitable investment opportunities are identified, are included in the classification "Investments" in the statement of financial position. Included in cash and cash equivalents at June 30, 2021 is \$1,582,669 of cash held as collateral on the line of credit (see Note 6) as well as \$8,211 and \$8,205 as of June 30, 2021 and 2020, respectively, of cash held in reserve to be used in accordance with the California Department of Education contract terms and conditions.

Certificates of deposit

In order to maximize short term returns, the Foundation invests a portion of cash on hand in laddered certificates of deposit accounts, with maturity dates of one year or less, which provide some income while maintaining liquidity. Certificates of deposit with original maturities of three months or less are reported as cash equivalents.

Contributions, grants and other receivables

Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Contributions include individual, foundation, corporation, and bequests.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions, grants and other receivables (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give, which contain donor-imposed conditions that represent a barrier that must be overcome as well as a right of release from obligation, shall be recognized when the condition or conditions on which they depend are substantially met; that is, when the conditional promise becomes unconditional. Contributions receivable that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Contributions, grants and other receivables, net, at June 30, 2021 and 2020 amounted to \$1,559,473 and \$539,506, respectively, and substantially all are expected to be collected within one year or less of the respective year end date.

Church contributions received from members at Sunday Services and through pledges and fundraising efforts are used for church programs and support, unless otherwise directed by the donor.

An allowance for doubtful contributions receivable is provided based upon management's judgment including factors such as prior collection history, type of contribution and current aging of contributions receivable. At June 30, 2021 and 2020, the allowance for doubtful contributions receivable amounted to \$50,000 and \$15,000, respectively.

Contract revenue and receivables

The Foundation receives funding under grants and contracts from city, state and federal agencies. This funding is subject to contractual restrictions, which must be met by incurring qualifying expenses for particular programs. Accordingly, such grants are considered conditional contributions and are recorded as income without donor restriction to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Contracts receivable amounted to \$1,082,415 and \$692,366 as of June 30, 2021 and 2020, respectively, and substantially all are expected to be collected within one year or less of the respective year end date.

Contribution of services and goods

Donated goods are recorded as contributions based on the estimated fair value at the date the contribution is made. Donated goods recognized in the financial statements for the years ended June 30, 2021 and 2020 amounted to approximately \$1,566,500 and \$1,601,600, respectively.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contribution of services and goods (continued)

Donated services are recorded as contributions at their estimated fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and (c) would typically need to be purchased if not donated. The Foundation received contributed services from organizations and individuals. During 2021 and 2020, contributed services amounted to approximately \$61,400 and \$64,700, respectively.

Investments

The Foundation accounts for investments in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 958-320 Not-for-Profit Entities: Investments - Debt and Equity Securities ("ASC 958-320"). ASC 958-320 requires that investments in debt and equity securities with readily determinable fair values be reported at fair market value in the statement of financial position.

Sales and purchases of securities are recorded on the trade date, which results in receivables and payables on trades that have not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in the statement of activities and represent the difference between the cost and current market quotations of investments held at the end of the fiscal year. Investments received by donation are recorded at fair value at the date of donation. Net realized and unrealized gains or losses are classified as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Foundation determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Foundation's own data.

Property and equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-nine years for building improvements, equipment and furniture.

The Foundation capitalizes any furniture or equipment greater than \$3,000 with a useful life greater than 1 year. Minor replacements, betterments, maintenance and repairs are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated over the remaining useful lives of the assets.

Asset retirement obligations

Management of the Foundation determined that sufficient information was available to reasonably estimate the fair value of known retirement obligations and recognized a liability for the remediation of asbestos. The Foundation annually reviews its calculations with respect to asbestos abatement retirement obligations unless there is a significant change in the facts and circumstances related to the abatement during the year, in which case the Foundation reviews its calculations after the significant change has occurred. The asset retirement obligation amounted to \$25,001 and \$152,528 as of June 30, 2021 and 2020, respectively.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Direct identification of specific expenses is the Foundation's preferable method of charging expenses to various functions. The Foundation has a number of expenses which relate to more than one program or supporting activity, or to a combination of programs and supporting activities. Expenses are allocated among program services, general and administrative, and fund development classifications based primarily upon estimates of employee head count and square feet.

Income tax status

The Foundation is exempt from payment of federal and state income taxes as a church under the provisions of the Internal Revenue Code and corresponding California provisions regarding organizations operated exclusively for religious, charitable, and educational purposes and is not considered a private foundation.

The Foundation has evaluated its current tax positions and has concluded that as of June 30, 2021 and 2020, the Foundation does not have any material uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Use of estimates includes, but are not limited to, accounting for allowances for doubtful contributions, grants and other receivables, determination of investment fair values, in-kind goods and services, the valuation of the asset retirement obligation, depreciation, and allocation of certain indirect costs.

Summarized comparative financial information

The financial statements include certain prior-period 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended June 30, 2020, from which the summarized information was derived.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain reclassifications have been made to prior year balances to conform to the current year presentation with no changes to net assets.

3. INVESTMENTS

Investments consisted of the following:

	<u>2021</u>	<u>2020</u>
Domestic equity securities	\$ 3,371,506	\$ -
International equity securities	2,508,093	-
Fixed income securities	5,100,615	-
Real estate investments	<u>631,103</u>	<u>9,645</u>
	<u>\$ 11,611,317</u>	<u>\$ 9,645</u>

Investment earnings consisted of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 60,058	\$ 190,613
Net realized and unrealized gains	190,129	165,956
Investment fees	<u>(12,635)</u>	<u>(18,527)</u>
	<u>\$ 237,552</u>	<u>\$ 338,042</u>

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

4. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Domestic equity securities	\$ 3,371,506	\$ -	\$ -	\$ 3,371,506
International equity securities	2,508,093	-	-	2,508,093
Fixed income securities	5,100,615	-	-	5,100,615
Real estate investments	621,458	-	9,645	631,103
Deferred compensation asset	<u>2,061,806</u>	<u>-</u>	<u>-</u>	<u>2,061,806</u>
	<u>\$13,663,478</u>	<u>\$ -</u>	<u>\$ 9,645</u>	<u>\$13,673,123</u>
Liabilities				
Asset retirement obligation	\$ -	\$ -	\$ 25,001	\$ 25,001
Deferred compensation liability	<u>2,061,806</u>	<u>-</u>	<u>-</u>	<u>2,061,806</u>
	<u>\$ 2,061,806</u>	<u>\$ -</u>	<u>\$ 25,001</u>	<u>\$ 2,086,807</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Real estate investments	\$ -	\$ -	\$ 9,645	\$ 9,645
Deferred compensation asset	<u>1,738,193</u>	<u>-</u>	<u>-</u>	<u>1,738,193</u>
	<u>\$ 1,738,193</u>	<u>\$ -</u>	<u>\$ 9,645</u>	<u>\$ 1,747,838</u>
Liabilities				
Asset retirement obligation	\$ -	\$ -	\$ 152,528	\$ 152,528
Deferred compensation liability	<u>1,738,193</u>	<u>-</u>	<u>-</u>	<u>1,738,193</u>
	<u>\$ 1,738,193</u>	<u>\$ -</u>	<u>\$ 152,528</u>	<u>\$ 1,890,721</u>

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

4. FAIR VALUE MEASUREMENTS (continued)

The fair value of equity securities, fixed income securities, deferred compensation assets and deferred compensation liability is measured on a recurring basis using quoted market prices. The fair value of the asset retirement obligation is based on a model that incorporates estimated settlement costs and anticipated completion dates and has been recorded at present value using a discount rate of approximately 4%.

The following table sets forth a summary of changes in the fair value of Level 3 investments for the years ended June 30, 2021 and 2020:

	Asset Retirement Obligation
Balance, June 30, 2019	\$ <u>152,528</u>
Balance, June 30, 2020	\$ 152,528
Accretion adjustment	(127,527)
Balance, June 30, 2021	<u>\$ 25,001</u>

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	2021	2020
Building and building improvements	\$ 24,741,856	\$ 10,820,583
Equipment and furniture	6,131,278	5,768,949
Accumulated depreciation and amortization	(12,146,234)	(11,148,249)
	18,726,900	5,441,283
Land	12,533,102	492,917
Construction in progress	623,868	154,267
	<u>\$ 31,883,870</u>	<u>\$ 6,088,467</u>

Depreciation and amortization expense for the years ended June 30, 2021 and 2020 totaled \$997,986 and \$1,183,092, respectively.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

6. LINE OF CREDIT

The Foundation entered into a line of credit on January 22, 2021 for \$1,500,000 with an interest rate equal to the greater of the annual Prime rate or 3.25%. The line of credit matured on March 21, 2022 and was renewed with a maturity date of March 1, 2025 (see Note 18). No amounts were drawn on the line of credit at June 30, 2021. As part of the terms of the line of credit, the Foundation must hold as collateral a money market account with the lending bank in which the loan commitment shall not exceed 95% of the deposit account balance. As of June 30, 2021, the balance of the money market account held as collateral was \$1,582,669.

7. PAYCHECK PROTECTION PROGRAM LOAN

On April 17, 2020, the Foundation received loan proceeds of \$2,642,273 from a promissory note issued by Signature Bank, under the Paycheck Protection Program ("PPP") which was established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and is administered by the U.S. Small Business Administration. The term on the loan was two years and the annual interest rate is 1.00%. Payments of principal and interest were deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness is determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Foundation applied for and was granted full forgiveness of the PPP loan on December 2, 2021 (see Note 18). The Foundation is accounting for the PPP loan as debt with forgiveness recorded upon formal forgiveness.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2021	2020
Amounts restricted for donor specified programs from contributions	\$ 2,147,126	\$ 418,423
Income and net appreciation earned for donor specified programs from investments held in perpetuity	-	4,817,988
	2,147,126	5,236,411
Amounts held in perpetuity:		
The Lizzie Glide Trust	-	988,000
The Epworth/Wesley Trust	-	148,000
	-	1,136,000
	\$ 2,147,126	\$ 6,372,411

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Amounts released for donor specified programs	\$ 2,492,705	\$ 5,710,421
Appropriation of endowment assets for expenditure	-	177,293
Release of endowment assets in consideration for real property from trust	5,945,843	-
	\$ 8,438,548	\$ 5,887,714

The Lizzie Glide Trust is a charitable trust established in 1929 for the purpose of advancing and fostering the Christian spirit, education, service to the poor, and maintaining an evangelical center in San Francisco. Under the terms of the Lizzie Glide trust, the principal is to be held in perpetuity and the current and accumulated income, together with principal appreciation or depreciation, is purpose-restricted for the maintenance, operation, and support of the church, as well as the promotion of religion, religious education and charity.

The purpose of the Epworth/Wesley Trust is to foster and promote religious training and education among students at the Berkeley, Davis and San Francisco campuses of the University of California. Under the terms of the Epworth/Wesley Trust, the principal is to be held in perpetuity and the current and accumulated income, together with principal appreciation or depreciation, is purpose-restricted for the above-mentioned purpose. During 2021, trustee responsibility for both the Lizzie Glide Trust and Epworth/Wesley Trust were transferred to the California-Nevada Annual Conference of the United Methodist Church ("CNAC") (see Note 17).

9. ENDOWMENT

The Foundation's endowment consists of two donor-restricted endowments established for a variety of purposes and funds designated by the Board of Trustees to function as endowments. As required U.S. GAAP, net assets associated with endowment funds, including funds designated by the Foundation to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

9. ENDOWMENT (continued)

During 2019, the Foundation made an \$11,000,000 grant from board-designated net assets to the Glide Legacy Fund ("GLF") for the purpose of establishing a board-designated endowment known as the Glide Program Fund. In February 2021, the Board of Directors of GLF announced the dissolution of GLF with a wind down of operations completed by May 31, 2021. As part of the dissolution plan, GLF was required to settle all debts and liabilities with the remaining assets of GLF to be distributed to the Foundation. In April 2021, the Board of Directors of GLF removed the restriction on the Glide Program Fund and approved the transfer of the funds to the Foundation. In May 2021, GLF transferred the funds which amounted to \$11,790,758, to the Foundation. In January 2022, the Board of Trustees of the Foundation established a quasi-endowment with the intent to designate the funds received from GLF to the quasi-endowment.

As described in Note 17, as part of the settlement agreement with the CNAC, the Foundation transferred their trustee responsibility over the donor-restricted endowments to CNAC, and CNAC will act as the new trustee over these funds and use them for their restricted purposes. The value of the endowment on the date of the transfer amounted to \$5,945,893.

Interpretation of relevant law

The Foundation has interpreted the California enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. The remaining portion of the donor-restricted endowment fund that is not to be held in perpetuity is classified as with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

9. ENDOWMENT (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions unless the income from such endowment funds are restricted as to use in which case such amounts are reflected in net assets with donor restrictions. There were no such deficiencies as of June 30, 2021 and 2020.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity and board-designated quasi-endowment funds.

In the absence of new inflows into the endowment funds, in order for the fund to preserve purchasing power, the real (inflation-adjusted) return of the fund net of fees must be equal to or exceed the distribution rate. The target rate of return for the invested assets has been based upon the assumption that future real rates of return will be close to the historical long run rates of return experienced for each asset class in the endowment funds. The Foundation's Investment Committee realizes that historical performance is no guarantee of future performance, that asset class and market returns vary, and that even with a 10-year investment horizon that actual real returns may differ significantly from expectations.

Strategies employed for achieving objectives

The Investment Committee will strive to ensure that the endowment funds are diversified across asset classes as well as within each asset class with the intent to minimize the risk of large losses to the endowment funds.

The investment objectives of maintaining purchasing power while helping to fund current and future Foundation needs and services require an equity-based portfolio to generate expected returns that are consistent with the distribution rate.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

9. ENDOWMENT (continued)

Spending policy and how the investment objectives relate to spending policy

Gains and losses on investments held in perpetuity are classified as net assets with donor restrictions consistent with the donors' restrictions on the use of interest and dividend income generated by those assets. The annual disbursement formula target is set by the Board of Trustees of the Foundation. Quarterly distributions during the year ended June 30, 2020 were calculated based on 4% of the 60-month rolling average of the investments' fair value. There were no distributions made during the year ended June 30, 2021. In establishing its distribution policy, the Foundation considered the long-term expected return on its endowment and the goal of maintaining the purchasing power of the endowment assets.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 1,722	\$ -	\$ 1,722

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 5,953,988	\$ 5,953,988
Board-designated endowment funds	<u>9,840</u>	<u>-</u>	<u>9,840</u>
	<u>\$ 9,840</u>	<u>\$ 5,953,988</u>	<u>\$ 5,963,828</u>

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

9. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal years ended June 30, 2021 and 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2019	\$ 12,191	\$ 5,881,658	\$ 5,893,849
Investment return			
Investment income (loss)	(2,351)	89,750	87,399
Net appreciation (realized and unrealized)	-	159,873	159,873
Total investment return	(2,351)	249,623	247,272
Appropriation of endowment assets for expenditure	-	(177,293)	(177,293)
	(2,351)	72,330	69,979
Balance, June 30, 2020	\$ 9,840	\$ 5,953,988	\$ 5,963,828
Investment return			
Investment loss	(4,477)	(8,145)	(12,622)
Total investment return	(4,477)	(8,145)	(12,622)
Distribution in consideration for real property from trust	(3,641)	(5,945,843)	(5,949,484)
	(8,118)	(5,953,988)	(5,962,106)
Balance, June 30, 2021	\$ 1,722	\$ -	\$ 1,722

10. RENTAL INCOME

The Foundation received monthly rental income of \$18,540, with annual increases amounting to the lesser of 3% or the 12-month percent change in CPI, under a long-term operating lease that expired on March 31, 2020. The lease was terminated in October 2019.

Rental income under the lease for the year ended June 30, 2020, amounted to \$79,471.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

11. PENSION PLAN

The Foundation's employees can participate in the Foundation's Pension Plan (the "Plan"), a 403(b) defined contribution plan. All employees are eligible to contribute to the Plan. In order for the employee to participate in the employer matching portion of the Plan, the employee must have worked at the Foundation for at least one year, work a minimum of 20 hours per week, and contribute a minimum of 2% of salary to the Plan. The Foundation makes discretionary contributions at an amount equal to 3% of the employee's salary and employer contributions vest 100% from the first day that the employee is eligible and contributes to the Plan. The Foundation's contributions amounted to \$279,097 and \$258,436 for the years ended June 30, 2021 and 2020, respectively.

The Foundation has also established a Deferred Compensation Plan under which it will provide supplemental retirement benefits to certain employees. The plan is intended to qualify as a "church plan" under Section 3(33) of ERISA. The Foundation selects the eligible participants in the plan and may make discretionary contributions to the plan on their behalf. All amounts contributed to the plan are immediately vested but are subject to the claims of creditors of the Foundation. At the present time, employees cannot contribute any portion of their compensation to the plan.

12. RESOURCE SHARING AGREEMENT

The Foundation entered into Resource Sharing Agreements with Glide Community Church ("GCC") and GLF during 2019. These agreements allow for both parties to share resources, such as office space, furniture, equipment, maintenance, and personnel, in order for GCC and GLF to conduct its activities in the most economical fashion. The Foundation received \$26,683 and \$27,991 during the years ended June 30, 2021 and 2020, respectively, from GLF and \$12,464 and \$6,504 during the years ended June 30, 2021 and 2020, respectively from GCC under these agreements.

13. COMMITMENTS AND CONTINGENCIES

Operating leases

The Foundation leases equipment and facilities under long-term operating leases expiring in various years. Additionally, the Foundation leases various equipment on a month-to-month basis.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2022	\$ <u>1,032</u>
	\$ <u><u>1,032</u></u>

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

13. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases (continued)

Rent expense, including that related to month-to-month operating leases, amounted to \$29,339 and \$123,112 for the years ended June 30, 2021 and 2020, respectively.

Capital lease obligation

The Foundation leases a copier under a capital lease with a capitalized cost of \$49,038. Accumulated depreciation in the statement of financial position included \$22,246 relating to this leased copier. Depreciation expense reported in the statement of activities includes \$15,865 for the equipment under capital lease.

Future maturities of the capital lease obligation are as follows:

<u>Year ending June 30,</u>	
2022	\$ 17,634
2023	<u>10,287</u>
	27,921
Less: imputed interest	<u>(1,128)</u>
	<u>\$ 26,793</u>

Grants and contracts

Certain grants and contracts require compliance with various requirements. Failure to comply with these requirements could result in disallowance of costs and potential repayment to the sponsor(s). However, the Foundation's management considers the likelihood of a need to return funds to sponsors to be remote.

14. CONCENTRATIONS

As of June 30, 2021, amounts from one donor and one contract composed approximately 53% of receivables. As of June 30, 2020, amounts from one donor and one contract composed approximately 38% of receivables, and amounts from one donor composed approximately 11% of contribution revenue.

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

15. RISKS AND UNCERTAINTIES

In December 2019, a novel strain of coronavirus ("COVID19") was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California where the Foundation is headquartered and holds campuses. In response, the U.S. Government enacted the CARES Act, which includes significant provisions to provide relief and assistance to affected organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders and the ultimate impact of the CARES Act and other governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Foundation. However, the financial impact and duration cannot be reasonably estimated at this time.

16. LIQUIDITY AND FUNDS AVAILABLE

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation regularly monitors liquidity required to meet its operating needs and its commitments to its partners, while also striving to maximize the investment of its available funds. To meet liquidity needs, the Foundation has cash and cash equivalents, certificates of deposit, contributions, grants and other receivables, and contracts receivable available.

The following is a quantitative disclosure which describes assets that are available or expected to become available within one year of June 30, 2021 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 5,490,213
Certificates of deposit	3,021,386
Contributions, grants and other receivables	1,559,473
Contracts receivable	<u>1,082,415</u>
	11,153,487
Donor specified programs	<u>(2,147,126)</u>
	<u>\$ 9,006,361</u>

Glide Foundation
Notes to Financial Statements
June 30, 2021
(With Comparative Totals for 2020)

17. CNAC AGREEMENT

On November 5, 2020, the Foundation reached an agreement with the CNAC, whereby the Foundation and the CNAC will move forward as wholly separate and autonomous organizations. As part of this agreement, the Foundation transferred their trustee responsibility over The Lizzie Glide Trust and The Epworth/Wesley Trust ("the donor-restricted endowments") to CNAC, and CNAC will act as the new trustee over these funds and use them for their restricted purposes. The total consideration transferred to CNAC was \$6,000,000. The value of the endowment on the date of the transfer amounted to \$5,945,843. The agreement further provided that the Foundation would retain title to the 330 Ellis Street property and parking lot as well as the Church building at 302 Ellis Street so that the properties could continue to be used to for the Foundation's programs. Title of the properties was transferred to the Foundation on March 10, 2021. The value of the properties as of June 30, 2021 amounted to \$25,919,849 and is included in property and equipment on the statement of financial position.

18. SUBSEQUENT EVENTS

The Foundation drew \$500,000 in both July and September 2021 from its available line of credit. In December 2021, the Foundation repaid \$250,000 of the outstanding line of credit balance. In March 2022, the line of credit was renewed with an updated maturity date of March 1, 2025. In April 2022, an additional \$500,000 was drawn upon from the line of credit.

In August 2021, the Foundation formed two real estate LLCs. 330 Ellis Development, LLC was created for contracting and development purposes. 330 Ellis Holding, LLC was created to hold the real estate assets of the Foundation. There has been no activity in either LLC since they were formed.

On December 2, 2021, the Foundation received full forgiveness of its PPP loan in the amount of \$2,642,273.

Effective January 5, 2022, the Foundation converted from a nonprofit religious corporation to a nonprofit public benefit corporation.

In March 2022, the Foundation entered into a line of credit for \$5,000,000 with an interest rate equal to the greater of 1% or the Prime rate minus 0.5%. The line of credit has a maturity date of March 16, 2023.

Subsequent events have been evaluated through May 4, 2022, which is the date the financial statements were available to be issued. Other than the events noted above, no subsequent events have occurred that would have a material impact on the presentation of the Foundation's financial statements.