



**LOYOLA HOUSE OF RETREATS
(d/b/a LOYOLA JESUIT CENTER)
FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S
REVIEW REPORT
June 30, 2021**

**LOYOLA HOUSE OF RETREATS
(d/b/a Loyola Jesuit Center)**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Loyola House of Retreats
d/b/a Loyola Jesuit Center
Morristown, New Jersey

We have reviewed the accompanying financial statements of Loyola Jesuit Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Ocean, New Jersey
August 20, 2021

Offices:

Maryland

New York City

Long Island

New Jersey

LOYOLA JESUIT CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 211,120	\$ 163,153
Promises to give receivable, net (Note 3)	131,570	170,690
Accounts receivable	5,873	-
Investment securities, at fair value (Note 4)	3,957,263	3,693,510
Gift shop inventory	23,534	30,815
Land, buildings and equipment, net (Note 5)	4,209,687	4,323,903
Prepaid pension asset (Note 6)	60,236	68,842
Prepaid expenses and other assets	-	245
Total Assets	<u>\$ 8,599,283</u>	<u>\$ 8,451,158</u>
 Liabilities and Net Assets		
Liabilities--		
Accounts payable	\$ 26,887	\$ 28,771
Accrued expenses	38,089	22,671
Accrued retirement liability (Note 7)	97,000	103,000
Notes payable to banks -		
Paycheck Protection Program (Note 8)	122,565	174,700
Other liability (Note 3)	-	300,000
Total Liabilities	<u>284,541</u>	<u>629,142</u>
 Net Assets (Notes 10 and 11)--		
Without donor restrictions	7,732,647	7,200,691
With donor restrictions	582,095	621,325
	<u>8,314,742</u>	<u>7,822,016</u>
Total Liabilities and Net Assets	<u>\$ 8,599,283</u>	<u>\$ 8,451,158</u>

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

LOYOLA JESUIT CENTER
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes in Net Assets Without Donor Restrictions--		
Operating Revenue and Support-		
Apostolic Work		
Retreats and other programs	\$ 180,156	\$ 393,654
Outside group hosting	33,100	443,859
Pastoral services	47,212	39,526
Total Apostolic Work	<u>260,468</u>	<u>877,039</u>
Fund Raising		
Annual and spring appeals	206,537	76,447
Bequests and memorials	59,199	35,276
Contribution in kind	500	-
Other contributions	112,262	212,009
Events	3,405	45,366
Raffles	149,100	-
Total Fund Raising	<u>531,003</u>	<u>369,098</u>
Gift shop income	14,035	30,493
Province insurance subsidy	55,808	-
Other income	-	364
Net assets released from restrictions (Note 10)	<u>112,470</u>	<u>217,467</u>
Total Operating Revenue and Support	<u>973,784</u>	<u>1,494,461</u>
Program and Other Expenses-		
Direct apostolic costs	124,576	129,132
Facilities-		
Plant and maintenance	547,820	581,758
Housekeeping	34,547	97,367
Food services	150,994	496,581
Management and general	306,929	432,443
Fund raising	<u>132,962</u>	<u>94,440</u>
Total Expenses	<u>1,297,828</u>	<u>1,831,721</u>
Changes in net assets without restrictions before non-operating income	(324,044)	(337,260)
Non-Operating Income-		
Gain on extinguishment of debt (Note 8)	174,700	-
Investment income - unrestricted (Note 4)	<u>681,300</u>	<u>16,486</u>
Changes in Net Assets Without Donor Restrictions	<u>531,956</u>	<u>(320,774)</u>
Changes in Net Assets With Donor Restrictions--		
Restricted contributions	73,240	136,453
Release of donor from promise to give (Note 3)	-	(500,000)
Investment income (Note 4)	-	1,756
Net assets released from restrictions (Note 10)	<u>(112,470)</u>	<u>(217,467)</u>
Changes in Net Assets With Donor Restrictions	<u>(39,230)</u>	<u>(579,258)</u>
Changes in Net Assets	492,726	(900,032)
Net Assets - Beginning of Year	7,822,016	8,722,048
Net Assets - End of Year	<u><u>\$ 8,314,742</u></u>	<u><u>\$ 7,822,016</u></u>

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

LOYOLA JESUIT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	APOSTOLIC PROGRAMS				SUPPORTING SERVICES		
	Direct Apostolic Costs	Facilities	Food Services	Total Programs	Management and General	Fund Raising	Total Expenses
Salaries and wages	\$ -	\$ 148,271	\$ 41,498	\$ 189,769	\$ 158,973	\$ 34,144	\$ 382,886
External directors	8,725	-	-	8,725	-	-	8,725
Jesuit community support	96,342	-	-	96,342	-	-	96,342
Employee benefits	-	61,759	58,282	120,041	77,091	5,511	202,643
Gift shop costs	16,295	-	-	16,295	-	-	16,295
Consultants	-	-	-	-	3,250	11,599	14,849
Professional services	-	-	-	-	10,473	-	10,473
Office expenses	-	-	-	-	38,777	-	38,777
Stationary and postage	-	-	-	-	2,290	5,565	7,855
Golf tournament	-	-	-	-	-	1,000	1,000
Raffles and appeals	-	-	-	-	-	73,348	73,348
Food products	-	-	44,363	44,363	-	-	44,363
Equipment and supplies	-	5,848	5,080	10,928	4,080	-	15,008
Advertising	-	-	-	-	666	-	666
Service fees	-	-	-	-	11,329	-	11,329
Linen rental	-	2,560	-	2,560	-	-	2,560
Utilities	-	65,460	-	65,460	-	-	65,460
Property insurance	-	69,844	-	69,844	-	-	69,844
Maintenance, repairs and grounds	-	46,044	1,541	47,585	-	-	47,585
Auto expenses	-	2,237	-	2,237	-	-	2,237
Chapel	3,162	-	-	3,162	-	-	3,162
Recognition awards	-	-	-	-	-	518	518
Depreciation	-	180,344	-	180,344	-	-	180,344
Other costs	52	-	230	282	-	1,277	1,559
Total expenses	\$ 124,576	\$ 582,367	\$ 150,994	\$ 857,937	\$ 306,929	\$ 132,962	\$ 1,297,828

The accompanying notes are an integral part of this financial statement.

LOYOLA JESUIT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	APOSTOLIC PROGRAMS				SUPPORTING SERVICES		
	Direct Apostolic Costs	Facilities	Food Services	Total Programs	Management and General	Fund Raising	Total Expenses
Salaries and wages	\$ -	\$ 175,595	\$ 283,373	\$ 458,968	\$ 249,006	\$ -	\$ 707,974
External directors	16,250	-	-	16,250	-	-	16,250
Jesuit community support	77,640	-	-	77,640	-	-	77,640
Employee benefits	-	74,093	90,537	164,630	103,658	-	268,288
Gift shop costs	16,822	-	-	16,822	-	-	16,822
Consultants	-	-	-	-	3,217	52,019	55,236
Professional services	-	-	-	-	9,000	-	9,000
Office expenses	-	-	-	-	32,432	-	32,432
Stationary and postage	-	-	-	-	7,136	5,108	12,244
Golf tournament	-	-	-	-	-	24,094	24,094
Raffles and appeals	-	-	-	-	-	-	-
Food products	-	-	104,389	104,389	-	-	104,389
Equipment and supplies	-	10,402	10,957	21,359	537	-	21,896
Advertising	-	-	-	-	5,711	-	5,711
Service fees	-	-	-	-	13,849	-	13,849
Linen rental	-	13,011	-	13,011	-	-	13,011
Utilities	-	81,457	-	81,457	-	-	81,457
Property insurance	-	28,174	-	28,174	-	-	28,174
Maintenance, repairs and grounds	-	112,342	2,040	114,382	-	-	114,382
Auto expenses	-	3,373	-	3,373	-	-	3,373
Chapel	8,318	-	-	8,318	-	-	8,318
Apostolic expense - general	10,102	-	-	10,102	-	-	10,102
Recognition awards	-	-	-	-	-	1,916	1,916
Depreciation	-	179,103	-	179,103	-	-	179,103
Other costs	-	1,575	5,285	6,860	7,897	11,303	26,060
Total expenses	<u>\$ 129,132</u>	<u>\$ 679,125</u>	<u>\$ 496,581</u>	<u>\$ 1,304,838</u>	<u>\$ 432,443</u>	<u>\$ 94,440</u>	<u>\$ 1,831,721</u>

The accompanying notes are an integral part of this financial statement.

LOYOLA JESUIT CENTER
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 492,726	\$ (900,032)
Adjustments to reconcile changes in net assets to net cash used in operating activities--		
Depreciation	180,344	179,103
Gain on extinguishment of debt	(174,700)	-
Provision for uncollectible promises to give	20,000	-
Contribution in kind	(500)	-
Release of donor from promise to give	-	500,000
Net realized and unrealized (gains) losses on investments	(571,864)	65,124
Net change in operating assets and liabilities--		
Promises to give receivable	19,120	(58,230)
Accounts and other receivables	(5,873)	72,120
Gift shop inventory	7,281	(4,799)
Prepaid expenses and other assets	8,851	10,669
Accounts payable	(1,884)	(42,262)
Accrued expenses	15,418	(28,670)
Accrued retirement liabilities	(6,000)	-
Net cash used in operating activities	<u>(17,081)</u>	<u>(206,977)</u>
Cash Flows from Investing Activities		
Capital improvements	(65,628)	(142,694)
Proceeds from sale and maturity of investments	1,201,378	2,764,960
Purchases of investments	<u>(1,193,267)</u>	<u>(2,556,065)</u>
Net cash provided by (used in) investing activities	<u>(57,517)</u>	<u>66,201</u>
Cash Flows from Financing Activities		
Proceeds from notes payable to banks - Paycheck Protection Program	<u>122,565</u>	<u>174,700</u>
Net cash provided by financing activities	<u>122,565</u>	<u>174,700</u>
Net Increase in Cash and Cash Equivalents	47,967	33,924
Cash and Cash Equivalents, Beginning of Year	<u>163,153</u>	<u>129,229</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 211,120</u></u>	<u><u>\$ 163,153</u></u>

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

LOYOLA JESUIT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. Organization and Current Operating Environment

Loyola House of Retreats (Jesuit Center), founded in 1927, was organized to conduct a religious and spiritual retreat center in Morristown, New Jersey. Various types of retreats, conferences and other pastoral services are provided according to the principles of the Catholic faith and spiritual tradition of the Society of Jesus. In 2014, the Jesuit Center filed an application with government agencies to conduct its activities using the name of Loyola Jesuit Center (Jesuit Center).

Commencing in March 2020, the Jesuit Center has been closed due to the COVID-19 pandemic and accordingly, has only provided limited in-person and virtual retreats to its constituents through June, 2021. This disruption has caused a significant decrease in the Jesuit Center's operating net assets. During this period the Jesuit Center obtained two Paycheck Protection Loans through the U.S. Small Business Administration aggregating \$297,265 to aid in paying certain operating costs during the period of closure (see Note 8). Due to the unknown duration of the COVID-19 outbreak, including virus variants, the extent to which it may impact the Jesuit Center's financial condition and changes in net assets continues to be uncertain.

2. Significant Accounting Policies

- ***Basis of Presentation***

The financial statements of the Jesuit Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

- ***Net Asset Classification***

The Jesuit Center reports 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.

Net assets without donor restrictions – Net assets that are not subject to stipulations. The Board of Trustees will, at times, designate net assets for a particular purpose of the Jesuit Center. These net assets, if any, are shown separately on the statement of financial position.

Net assets with donor restrictions – Net assets subject to stipulations that will be met either by actions of the Jesuit Center and/or the passage of time.

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 investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets with donor restrictions (i.e. the donor-stipulated purpose has been fulfilled) are reported as a reclassification between the applicable classes of net assets.

- ***Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

LOYOLA JESUIT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

- ***Land, Buildings and Equipment***

The Jesuit Center follows the policy of capitalizing land, buildings and improvements and equipment at cost, or at the fair value at date of contribution if acquired by gift. Depreciation is computed on a straight-line basis over the estimated useful lives of land and building improvements (15 to 40 years) and furniture and equipment (5 to 15 years). Assets are removed from the records at the time of disposal.

- ***Functional Allocation of Expenses***

Expenses incurred to conduct the Jesuit Center's program activities are allocated to the applicable programs utilizing specifically developed estimates. Certain other indirect expenses have been allocated, when deemed practical, among program and supporting services.

- ***Investments***

Investments consist of equity and fixed income securities, money market funds and investments in mutual funds, all stated at fair value. Fair value is based on quoted prices of the underlying securities in active markets for identical assets.

Investments are exposed to various risks, such as dividend rates, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of such investments, it is reasonably possible that changes in the value of one or more of such investments in the near term could materially affect the amounts reported in the statement of financial position.

- ***Promises to Give***

The estimated net realizable values of unconditional promises to give are recognized as revenues in the period received and as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give, if any, are recognized when the conditions on which they depend are substantially met.

Contributions received are recorded as support, depending on the existence and/or nature of any donor restrictions.

- ***Gifts and Donations***

The Jesuit Center records income from cash gifts not related to promises to give in the periods received. Gifts or donations, other than cash, are recorded at fair value on the date of the contribution.

- ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and in banks, as well as money market instruments. The Jesuit Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

- ***Concentration of Credit Risk***

At June 30, 2021, the Jesuit Center maintained three bank accounts with one financial institution with an aggregate balance that is below the regulatory insurance limit of \$250,000. The Jesuit Center has not experienced any losses with regard to its cash accounts.

Concentration of credit risk associated with the investment portfolio, including the money market portion of the accounts, is considered low due to the credit quality of the financial institution holding these investments.

- ***Gift Shop Inventory***

Gift shop inventory consists of certain religious books and articles, music and other personal items which are valued using a method that approximates the lower of cost or net realizable value.

LOYOLA JESUIT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

- **Revenue Recognition**

The Jesuit Center records retreat and other fees as received since amounts paid by individual retreatants are not stipulated by any pricing structure and are primarily voluntary in nature. For retreat group hosting, revenue is recognized during the period that the retreat occurs.

- **Income Taxes**

The Jesuit Center is a non-profit organization that is generally exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, although it is taxed on any business income that is not substantially related to its exempt purpose. The Jesuit Center did not have any unrelated business income for the years ended June 30, 2021 and 2020.

Federal tax law requires that the Jesuit Center be operated in a manner consistent with its initial exemption application in order to maintain exempt status. Management has analyzed its activities and concluded that they remain in compliance with the requirements for exemption.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Jesuit Center and recognize a tax liability (or asset) for any uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

Management has analyzed its tax positions, and has concluded that as of June 30, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

- **Advertising**

The Jesuit Center advertises its programs in various religious publications and incurred advertising expense of \$666 and \$5,711 for the years ended June 30, 2021 and 2020, respectively.

- **Subsequent Events**

For the fiscal year ended June 30, 2021, the Jesuit Center has evaluated subsequent events for potential recognition or disclosure through August 20, 2021, the date the financial statements were available for issuance.

3. Promises to Give

Since 2007, the Jesuit Center has undertaken three capital campaigns primarily to fund certain capital improvement projects and in the first campaign to also add to its endowment.

Promises to give, less an estimated allowance for potentially uncollectible promises, are recorded at their estimated fair value with amounts due later than one year at the present value of estimated future cash flows. Promises to give receivable at June 30 are as follows:

	2021	2020
Promises to give receivable due		
Less than one year	\$ 52,570	\$ 62,500
One to five years	165,000	174,190
	<u>217,570</u>	<u>236,690</u>
Less - Discount to present value	(11,000)	(11,000)
Allowance for uncollectible promises	(75,000)	(55,000)
Promises to give receivable, net	<u>\$ 131,570</u>	<u>\$ 170,690</u>

LOYOLA JESUIT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Promises to give at June 30, 2019 included a \$500,000 promise from a major donor that was to be paid at a future date. During fiscal 2020, the donor made another promise for \$500,000 and paid \$300,000 in January 2020 toward his aggregate obligation. Subsequently, the donor requested to be released from his obligation and be reimbursed for the \$300,000 payment previously made. His request was approved by the Jesuit Center's Board of Trustees with reimbursement made to him in July 2020. Accordingly, \$300,000 has been reflected as a liability in the accompanying June 30, 2020 statement of financial position.

In April 2020, as part of the Jesuit Center's efforts to establish long-term financial sustainability, the Jesuits USA East Province committed to another financial gift of \$2,000,000 to help fund the completion of the Jesuit Center's renovation project. The first \$1,000,000 will be paid after the formal announcement of the Jesuit Center's Rise and Shine campaign which continues to be delayed due to the current pandemic. The second gift will match any campaign gifts received by the Jesuit Center up to an additional \$1,000,000. It is expected that the accounting recognition of the Province gifts will take place in fiscal 2022 and 2023.

4. Investment Securities

Investment securities at June 30 consisted of the following:

2021

	Cost	Fair Value	Fair Value Over Cost
U.S. Treasury money market mutual fund	\$ 125,477	\$ 125,477	\$ -
Common stocks	526,754	1,039,805	513,051
Fixed income securities	1,476,637	1,496,240	19,603
Mutual funds -			
International growth	344,068	447,819	103,751
Domestic growth and other	654,403	847,922	193,519
	<u>\$ 3,127,339</u>	<u>\$ 3,957,263</u>	<u>\$ 829,924</u>

2020

	Cost	Fair Value	Fair Value Over (Under) Cost
U.S. Treasury money market mutual fund	\$ 704,071	\$ 704,071	\$ -
Common stocks	438,322	648,671	210,349
Fixed income securities	1,432,244	1,450,509	18,265
Mutual funds -			
International growth	351,946	351,245	(701)
Domestic growth and other	505,445	539,014	33,569
	<u>\$ 3,432,028</u>	<u>\$ 3,693,510</u>	<u>\$ 261,482</u>

Investment Return

Net investment income for the years ended June 30 consisted of:

	2021	2020
Dividends and interest	\$ 120,162	\$ 94,967
Realized gains	16,521	239,001
Unrealized gains (losses)	555,343	(304,125)
Investment fees	(10,726)	(11,601)
Total	<u>\$ 681,300</u>	<u>\$ 18,242</u>

LOYOLA JESUIT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

5. Land, Buildings and Equipment

Land, buildings and equipment at June 30 consisted of the following:

	2021	2020
Land	\$ 154,667	\$ 154,667
Land improvements	519,311	453,683
Building	1,479,885	1,479,885
Building improvements	4,134,641	4,134,641
Furniture and equipment	465,964	465,464
Transportation equipment	79,900	79,900
Construction in progress	63,465	63,465
	<u>6,897,833</u>	<u>6,831,705</u>
Less - accumulated depreciation	<u>(2,688,146)</u>	<u>(2,507,802)</u>
 Total	 <u><u>\$ 4,209,687</u></u>	 <u><u>\$ 4,323,903</u></u>

6. Pension Plan

Through June 30, 2016, lay employees of the Jesuit Center who work at least 20 hours per week were eligible to participate in a multi-employer pension plan sponsored by the R.C. Diocese of Paterson. The total cost (6% of base earnings) was paid by the Jesuit Center.

In March 2016, the Jesuit Center was informed that the current Diocesan defined benefit plan was to be terminated effective June 30, 2016 and all vested benefits frozen as of that date. Although a new Diocesan plan commenced on July 1, 2016, the Jesuit Center chose not to participate and has joined the retirement plan of the USA East Province of the Society of Jesus. In connection with the termination of the Diocesan plan, the Jesuit Center was informed that they had to make a payment toward the unfunded liability of vested Jesuit Center lay employees aggregating \$103,262. The payment resulted in a prepaid pension asset which represents prior service cost and is being amortized to expense over the average remaining service life (12 years) of the lay employee participants. Total amounts charged to pension expense for the years ended June 30, 2021 and 2020 aggregated \$31,514 and \$59,994, respectively, including \$8,605 in each year for the amortization of prior service cost referred to above.

7. Retirement Liability

The Jesuit Center provides a monthly retirement payment to a former employee aggregating \$18,000 per year. Such obligation is recorded in the accompanying statements of financial position at its present value using a 6% discount rate and the estimated mortality of the recipient. The retirement liability recognized in the accompanying statements of financial position was \$97,000 and \$103,000 as of June 30, 2021 and 2020, respectively.

8. Notes Payable to Bank

On April 16, 2020, the Jesuit Center entered into a loan agreement with a bank for proceeds of \$174,700, which was made under the Small Business Administration's (SBA) Paycheck Protection Program.

The note has an annual interest rate of 1% and matures in two years on April 16, 2022. The note has an initial payment deferral period of six months through October 2020 at which point monthly principal and interest payments commence over an 18-month period. Payment of the note is guaranteed by the SBA.

LOYOLA JESUIT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Subsequent to June 30, 2020, the Jesuit Center filed for forgiveness of the loan obligation, which was approved in March 2021. Accordingly, the Jesuit Center recorded a gain on extinguishment of debt in its statement of activities for the year ended June 30, 2021.

In February 2021, the Jesuit Center received proceeds of \$122,565 from a bank for a second loan under the Paycheck Protection Program. The loan has essentially the same terms as the first loan previously outlined. The Jesuit Center expects to file for forgiveness, but until approved, the Jesuit Center has recorded a liability for the loan in the accompanying June 30, 2021 statement of financial position.

9. Contingencies

From time to time, the Jesuit Center may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Jesuit Center's insurance policies, subject to normal deductibles and, accordingly, would not have a material effect on its financial position or changes in net assets.

10. Net Assets with Donor Restrictions

As of June 30, net assets with donor restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
Generations to Come campaign - for facility improvements and additions to endowment	\$ 299,525	\$ 317,133
Our Turn capital campaign - renovation projects	154,070	160,890
Rise and Shine capital campaign - East Wing renovation	53,500	53,500
Retreatant financial assistance	75,000	89,802
Total	<u>\$ 582,095</u>	<u>\$ 621,325</u>

Amounts released from donor restrictions for the years ended June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Generations to Come - capital projects	\$ 17,608	\$ 38,187
Our Turn campaign - renovation projects	6,820	89,470
Rise and Shine capital campaign - East Wing renovation and grounds improvements	73,240	32,753
Renovation of gatehouse and entrance	-	56,760
Retreatant financial assistance	14,802	297
Total	<u>\$ 112,470</u>	<u>\$ 217,467</u>

11. Endowment Fund

The Jesuit Center's endowment consists of two funds established to support various retreat programs, including financial assistance to retreatants as well as facilities improvements. All such funds result from donor restrictions and consider state law requiring the preservation of the fair value of the original and subsequent gifts, absent explicit donor stipulations to the contrary.

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As of June 30, the endowment net asset composition by type of fund is as follows:

	2021	2020
Retreatant financial assistance	\$ 75,000	\$ 75,000
Generations to Come capital campaign - retreat programs and facilities improvements	299,525	317,133
Total	<u>\$ 374,525</u>	<u>\$ 392,133</u>

Components of the endowment fund by asset category as of June 30 are as follows:

	2021	2020
Promises to give receivable	\$ 10,000	\$ 22,300
Investment securities	364,525	369,833
Total	<u>\$ 374,525</u>	<u>\$ 392,133</u>

The Jesuit Center continues to add to its endowment with the earnings accumulated on endowment assets being available for operations. The Jesuit Center's objective is to maintain the purchasing power of its endowment assets, as well as to provide additional real growth through new gifts and investment return.

12. Fair Value Measurements

The Jesuit Center follows disclosure requirements for Fair Value Measurements which requirements apply to all assets and liabilities that are being measured and reported on a fair value basis. Fair Value Measurements require disclosures that establish a framework for measuring the value in accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements. These measurements enable the reader of the financial statements to assess inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Fair Value Measurements require that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets and liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data

All investment securities aggregating \$3,957,263 at June 30, 2021 have been valued using level 1 standards indicated above.

The carrying amounts of cash and cash equivalents, receivables, inventories, prepaid expenses and other assets, as well as liabilities of a current maturity approximate fair value due to the short-term nature of these assets and liabilities.

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13. Financial Assets Available to Meet Cash Needs

The Jesuit Center's financial assets available for general expenditures within one year of the accompanying statements of financial position are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets, at year end		
Cash and cash equivalents	\$ 211,120	\$ 163,153
Promises to give receivable	131,570	170,690
Accounts receivable	5,873	-
Investment securities	<u>3,957,263</u>	<u>3,693,510</u>
Financial assets available at June 30,	4,305,826	4,027,353
Less -		
Financial assets held to meet donor-imposed restrictions	(374,525)	(392,133)
Promises to give estimated to be paid beyond one year	(79,000)	(108,190)
Reimbursement of pledge payment at request of donor in July 2020, included in investment securities above	<u>-</u>	<u>(300,000)</u>
Amounts available for general expenditures within one year	<u><u>\$ 3,852,301</u></u>	<u><u>\$ 3,227,030</u></u>