

SAINT FRANCIS FOUNDATION
(A California Non-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2021 AND JUNE 30, 2020



SAINT FRANCIS FOUNDATION

TABLE OF CONTENTS JUNE 30, 2021 AND JUNE 30, 2020

	Page(s)
Independent auditors' report	2 - 3
Statements of financial position	4
Statements of activities	5 - 6
Statements of functional expenses	7 - 8
Statements of cash flows	9
Notes to financial statements	10 - 26
Supplemental information:	
Schedules of grant awards	28-29



Independent Auditors' Report

The Board of Directors
Saint Francis Foundation

We have audited the accompanying financial statements of Saint Francis Foundation (a California non-profit organization), which comprise the statements of financial position as of June 30, 2021 and June 30, 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.

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 misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation in 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 principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Emphasis of Matter

As discussed in Note 4 to the financial statements, beginning net assets have been restated as of July 1, 2020, to account for a change in circumstances related to financial interrelatedness with the Hospital. Our opinion is not modified with respect to this matter.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Certified Public Accountants

San Francisco, California

March 14, 2022

SANT FRANCIS FOUNDATION

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Cash and cash equivalents	\$ 644,480	\$ 727,524
Accounts receivable	267,642	30,725
Unconditional promises to give	116,000	117,296
Investment in single investor fund	113,774,561	92,879,691
Investments in marketable securities	36,688	37,067
Prepaid expenses and other assets	42,366	30,342
Charitable remainder trusts - net	2,451,271	1,824,765
	<hr/>	<hr/>
	117,333,008	95,647,410
PROPERTY AND EQUIPMENT, NET	-	5,936
OTHER ASSETS:		
Artwork	164,500	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 117,497,508</u>	<u>\$ 95,653,346</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,070	\$ 7,529
Due to Saint Francis Memorial Hospital	686,705	140,565
Accrued liabilities	167,375	42,628
Annuity contracts payable	20,219	17,133
Grants payable to Saint Francis Memorial Hospital	1,077,924	2,885,050
Funds held for Saint Francis Memorial Hospital	5,295,461	-
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>7,248,754</u>	<u>3,092,905</u>
NET ASSETS:		
Without Donor Restriction	59,033,793	46,624,625
With Donor Restriction	51,214,961	45,935,816
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>110,248,754</u>	<u>92,560,441</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 117,497,508</u>	<u>\$ 95,653,346</u>

See notes to financial statements.

SAINT FRANCIS FOUNDATION

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:			
Contributions	\$ 315,167	\$ 22,589	\$ 337,756
Corporate Grants	273,408	90,770	364,178
Government Grants	372,669	-	372,669
Bequests	188,708	4,650	193,358
In-kind contributions	284,500	-	284,500
Event income, net of \$199,240 fundraising expenses	16,647	-	16,647
Total support	1,451,099	118,009	1,569,108
INVESTMENT AND OTHER INCOME:			
Investment return - net	13,139,441	10,271,843	23,411,284
Change in value of split-interest agreements	(5,987)	626,506	620,519
Other income (expenses)	(9,770)	-	(9,770)
Total investment and other income	13,123,684	10,898,349	24,022,033
Net assets released from restrictions	1,213,371	(1,213,371)	-
TOTAL SUPPORT AND INCOME	15,788,154	9,802,987	25,591,141
EXPENSES:			
Program services	1,615,988	-	1,615,988
Supporting services:			
General and administrative	772,358	-	772,358
Fundraising	990,640	-	990,640
TOTAL EXPENSES	3,378,986	-	3,378,986
CHANGE IN NET ASSETS	12,409,168	9,802,987	22,212,155
NET ASSETS, beginning of year	46,624,625	45,935,816	92,560,441
RESTATEMENT	-	(4,523,842)	(4,523,842)
NET ASSETS, end of year	\$ 59,033,793	\$ 51,214,961	\$ 110,248,754

See notes to financial statements.

SAINT FRANCIS FOUNDATION

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:			
Contributions, bequests, and grants	\$ 305,055	\$ 37,333	\$ 342,388
Corporate grants	20,821	201,000	221,821
Government grants	435,607	-	435,607
Bequests	638,755	4,650	643,405
In-kind contributions	206,410	-	206,410
Event income	400,443	9,302	409,745
Total support	2,007,091	252,285	2,259,376
INVESTMENT AND OTHER INCOME:			
Investment return - net	975,585	825,100	1,800,685
Change in value of split-interest agreements	1,407	(133,203)	(131,796)
Other income	350	-	350
Total investment and other income	977,342	691,897	1,669,239
Net assets released from restrictions	1,249,401	(1,249,401)	-
TOTAL SUPPORT AND INCOME	4,233,834	(305,219)	3,928,615
EXPENSES:			
Program services	954,240	-	954,240
Supporting services:			
General and administrative	635,674	-	635,674
Fundraising	1,154,435	-	1,154,435
TOTAL EXPENSES	2,744,349	-	2,744,349
CHANGE IN NET ASSETS	1,489,485	(305,219)	1,184,266
NET ASSETS, beginning of year	45,135,140	46,241,035	91,376,175
NET ASSETS, end of year	\$ 46,624,625	\$ 45,935,816	\$ 92,560,441

See notes to financial statements.

SAINT FRANCIS FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services		Total Functional Expenses
		General and Administrative	Fundraising	
Program grants	\$ 1,255,838	\$ -	\$ -	\$ 1,255,838
Personnel expenses	320,907	345,289	741,037	1,407,233
Professional fees	250	145,433	93,217	238,900
Facilities rental	28,400	29,200	62,400	120,000
Food and beverage	510	611	2,361	3,482
Supplies	270	253	1,271	1,794
Donor mailings	-	-	33,548	33,548
Minor equipment and software	8,689	8,328	12,909	29,926
Insurance	-	23,717	-	23,717
Staff training, travel and parking	298	1,746	7,208	9,252
Photography	-	-	9,100	9,100
Printing and design collateral	826	574	15,388	16,788
Dues and subscriptions	-	620	336	956
Depreciation	-	468	-	468
Loss due to cyber fraud	-	214,000	-	214,000
Miscellaneous	-	2,119	11,865	13,984
	<u>\$ 1,615,988</u>	<u>\$ 772,358</u>	<u>\$ 990,640</u>	<u>\$ 3,378,986</u>

See notes to financial statements.

SAINT FRANCIS FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services		Total Functional Expenses
		General and Administrative	Fundraising	
Program grants	\$ 698,889	\$ -	\$ -	\$ 698,889
Program grants - In-kind	5,477	-	-	5,477
Personnel expenses	213,120	392,351	588,903	1,194,374
Professional fees	147	153,133	149,934	303,214
Facilities rental	27,600	34,800	63,782	126,182
Food and beverage	3,127	6,369	114,067	123,563
Supplies	-	2,119	89,294	91,413
Donor mailings	-	-	31,729	31,729
Software and IT	-	11,774	15,741	27,515
Insurance	-	26,306	-	26,306
Equipment lease	-	-	19,179	19,179
Staff travel	5,415	2,499	9,994	17,908
Photography	-	7	13,945	13,952
Printing and design collateral	465	1,898	11,047	13,410
Dues and subscriptions	-	239	3,691	3,930
Advertising and marketing	-	-	1,805	1,805
Depreciation	-	905	-	905
Miscellaneous	-	3,274	41,324	44,598
	\$ 954,240	\$ 635,674	\$ 1,154,435	\$ 2,744,349

See notes to financial statements.

SAINT FRANCIS FOUNDATION

STATEMENTS OF CASH FLOWS

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from:		
Grants and program income	\$ 1,212,552	\$ 2,052,966
Investments and other income, net	205,010	395,402
Grant awards	(3,062,964)	(1,846,059)
Fundraising, general and administrative, and other program expenses	<u>(1,518,144)</u>	<u>(1,878,206)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(3,163,546)</u>	<u>(1,275,897)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases of) proceeds from investments	(688,217)	(199,561)
Funds held for Saint Francis Memorial Hospital	771,619	-
Distributions from single investor fund	<u>3,000,000</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>3,083,402</u>	<u>(199,561)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on annuity contracts payable	<u>(2,900)</u>	<u>(2,900)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(2,900)</u>	<u>(2,900)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(83,044)	(1,478,358)
CASH AND CASH EQUIVALENTS, beginning of year	<u>727,524</u>	<u>2,205,882</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 644,480</u></u>	<u><u>\$ 727,524</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET		
CASH USED BY OPERATING ACTIVITIES:		
Change in net assets	\$ 22,212,155	\$ 1,184,266
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	468	905
Loss on disposal of assets	10,353	-
Noncash contribution received	(164,500)	-
Net realized and unrealized gain on investments	(23,206,274)	(1,405,283)
Change in value of split-interest agreements	(620,520)	131,796
Changes in operating assets and liabilities:		
Accounts receivable	(236,917)	(30,725)
Unconditional promises to give - net	1,296	103,846
Prepaid expenses and other assets	(16,909)	23,194
Accounts payable	(6,459)	(133,811)
Due to Saint Francis Memorial Hospital	546,140	13,039
Accrued liabilities	124,747	(15,954)
Grants payable to Saint Francis Memorial Hospital	<u>(1,807,126)</u>	<u>(1,147,170)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (3,163,546)</u></u>	<u><u>\$ (1,275,897)</u></u>

See notes to financial statements.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of business:

Saint Francis Foundation (the "Foundation") is a non-profit corporation organized under the laws of the State of California. The mission of the Foundation is to support and improve healthcare generally, including without limitation, to support Saint Francis Memorial Hospital (the "Hospital") in San Francisco, California, and to engage in any other charitable activities.

The accounting policies of the Foundation conform to the accounting principles generally accepted in the United States ("GAAP") as applicable to not-for-profit organizations. A summary of significant accounting policies applied in the preparation of the accompanying financial statements as follows:

Basis of accounting:

The financial statements have been prepared on the accrual basis of accounting, which involves the recognition of revenues and gains when earned and expenses and losses when incurred.

Financial statement presentation:

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of these categories are as follows:

Without donor restrictions:

The portion of net assets available for use in general operations and not subject to donor-imposed restrictions.

With donor restrictions:

The portion of net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, this is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Fair value measurements:

The Foundation considers the use of market-based information over entity specific information in valuing its financial assets measured at fair value. This includes a three-level hierarchy for fair value measurements based on the nature of inputs in the valuation of an asset or liability as of the measurement date.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fair value measurements(continued):

The three levels of the fair value hierarchy under professional accounting standards are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data, by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In accordance with the authoritative guidance on fair value measurements and disclosures, as a practical expedient, an entity holding investments in certain entities that calculate net asset value ("NAV") per share or its equivalent for which the fair value is not readily determinable is permitted to measure the fair value of such investments on the basis of that NAV or its equivalent without adjustment. Investments measured at fair value based on NAV are not required to be categorized within the fair value hierarchy.

Investment in Single Investor Fund:

The Foundation is a limited partner in Saint Francis Foundation, L.P. (the "Fund"), a Single Investor Fund (refer to Note 7). As a limited partner holding 99.9% interest in the Fund, the Foundation determined that it did not meet the requirements of control in order to consolidate the Fund in accordance with FASB 810, *Consolidation*. The Foundation elected to record the investment in the Fund at fair value using the net asset value of the Fund.

Liquidation of the Single Investor Fund is subject to the terms of the partnership agreement.

Investments in marketable securities:

Investments in marketable securities are reported at fair value. The fair values are based upon quoted market prices. Changes in fair values are reported in the statements of activities.

Property and equipment:

Property and equipment in excess of \$2,000 purchased with estimated useful lives in excess of one year are capitalized at cost. Donated assets are capitalized at the approximate fair market value at

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Property and equipment (Continued):

the date of donation. Depreciation is computed using the straight-line method using an estimated useful life of 5 years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Charitable remainder trusts:

The Foundation's two charitable remainder trusts are valued at fair value (refer to Note 7).

Revenue recognition:

In June 2018, FASB issued ASU No. 2018-08, Not-For-Profit Entities – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new standard provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction based on whether a resource provider is receiving value in return for the resources transferred. Further, the ASU provides additional guidance to help determine whether a contribution is conditional and better distinguish a donor-imposed condition from a donor-imposed restriction. The effective date of this amendment for grants received is for fiscal years beginning after December 15, 2018. The Foundation has implemented the standard in the year ended June 30, 2020 for contributions received. The effective date of this amendment for grants made is for fiscal years beginning after December 15, 2019. The Foundation has implemented the standard in the year ended June 30, 2021 for contributions made.

Unconditional contributions are recorded at their fair value as net assets without donor restrictions or net assets with donor restrictions, depending on the absence or existence of donor-imposed restrictions, as applicable. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Foundation reports support and revenues from donations without donor-imposed restrictions in the period received. Conditional contributions received before they are earned are recorded as deferred revenue.

The Organization receives a significant amount of grants through reimbursement and specifically for FY 2021, a \$200,000 government reimbursement grant from California Office of Emergency Services (CalOES) for the Hospital's Rally Family Visitation Program.

The revenue generated from these programs is recorded as grants in the statements of activities. The grants meet the criteria to be classified as conditional under US GAAP revenue recognition for nonprofit organizations as they contain barriers related to occurrence of qualifying expenditures and a right of return or release. The Organization has elected a simultaneous release option to account for these grants. Therefore, they are recorded as support without donor restricts upon satisfaction of the barriers. In event amounts are received and have not been expended the Organization records such amounts as grant advances until earned.

Contributions and grants receivable are reviewed for collectability, and reserves for uncollectible amounts are established when needed.

Revenue from fundraising events is recorded in the period the event was held. Revenue from investments is recorded in the period the investment income was earned.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue recognition (continued):

The Foundation reports gifts of fixed assets as in-kind contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Financially interrelated:

The Foundation holds funds for the Hospital and many of the Foundation's fundraising efforts and increase the assets held on behalf of the Hospital. Since the Hospital's does not participate in committees and is unable to influence the decisions of the Foundation, the Foundation does not consider itself financially interrelated with the Hospital as defined by FASB Accounting Standards Codification 958-20, Financially Interrelated Entities.

Functional allocation of expenses:

Costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses are allocated to the program and supporting services based on the purpose of each expense, services provided for each program, and the respective usage of assets. Accordingly, certain costs have been allocated to program services, general and administrative, and fundraising costs based on employee time estimates, square footage, or other appropriate usage factors.

Tax status:

The Foundation has received tax-exempt status under the Internal Revenue Code Section 501(c)(3) and under the California Revenue Code Section 23701(d). Accordingly, it has not provided for income taxes in these financial statements.

Recently issued accounting standards:

In February 2016, and as amended, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*, which requires lessees to record most leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. ASU 2016-02 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The updated standard is effective for annual periods beginning after December 15, 2021 with early adoption permitted. The Foundation has not determined the potential effects of this ASU on its financial statements but does expect that it will result in an increase in its long-term assets and liabilities.

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-07, *Contributed Nonfinancial Assets (Topic 958)*, which requires organizations receiving nonfinancial assets to disclose them as a separate line item on the various statements and provide additional disclosure on the organization’s policies and valuation techniques for nonfinancial assets received. The updated standard is effective for annual periods beginning after June 15, 2021 with early adoption permitted. The Foundation is reviewing the impact of this standard and will implement the standard in the year ended June 30, 2022.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 2. NATURE 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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenue and expenses during the reporting period. Significant accounting estimates reflected in the Foundation's financial statements include the valuation of investments, the valuation of receivables and the functional allocation of expenses. Actual results may differ from those estimates.

Note 3. CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, unconditional promises to give, and investments. Risk associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of deferral insured amounts (currently \$250,000 per depositor). The Foundation also holds uninsured money market accounts. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Concentrations of credit risk with respect to unconditional promises to give are limited due to the financial stability of the donors.

Investments held by the Saint Francis Foundation Fund L.P.:

Certain underlying funds held by the Saint Francis Fund, L.P. may concentrate their investments in a single industry, sector, or country. Concentration of investments entails greater risk that an investment in a fund that invests its assets in numerous industries, sectors, or countries. A fund may be vulnerable to financial, economic, political, or other developments in the industry or country in which it invests. As a result, an underlying fund's net assets may fluctuate more widely in value than those of a fund investing in a number of different industries, sectors, or countries.

Note 4. RESTATEMENT OF BEGINNING BALANCES:

During the year ended June 30, 2021 the Foundation reconsidered the Hospital's historical involvement in certain activities of the Foundation concluding that this involvement does not provide the Hospital with the ability to participate in the Foundations' grant making priorities or its operations and is therefore no longer financially interrelated with the Foundation in accordance with ASC 958-20. As a result of no longer being fiscally interrelated entities, contributions previously record as contributions with donor restrictions on the Statement of Activities should have been recorded as a liability to the Hospital. Accordingly, the Foundation restated its beginning net assets as of July 1, 2020. The effect of the restatement was to decrease net assets by \$4,523,842 and increase Funds held for Saint Francis Memorial Hospital by \$4,523,842.

Note 5. LIQUIDITY AND AVAILABILITY:

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs and operations. In addition, the Foundation receives support without donor restrictions; such support, along with investment income without donor restrictions and appropriated earnings from gifts with donor restrictions, has historically represented approximately 50% of total annual expenditure.

The Foundation considers investment income without donor restrictions, appropriated earnings from contributions without donor restrictions and contributions with donor restrictions for use in current

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 5. LIQUIDITY AND AVAILABILITY (Continued):

programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments made. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses, plus an amount that represents the expected payments grant commitments approved by the Committee.

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

	June 30, 2021	June 30, 2020
Financial assets, at year end:		
Cash and cash equivalents	\$ 644,480	\$ 727,524
Accounts receivable	267,642	30,725
Unconditional promises to give, net	116,000	117,296
Investment in single investor fund	113,774,561	92,879,691
Investments in marketable securities	36,688	37,067
Charitable remainder trusts - net	2,451,271	1,824,765
Total financial assets	117,290,642	95,617,068
Less amounts not available to be used within one year due to:		
Investments in non-liquid securities	(2,326,965)	(1,393,195)
Charitable remainder trusts - restricted net assets	(2,451,271)	(1,824,765)
Unconditional promises to give due after one year	(60,000)	(2,000)
Funds held for Saint Francis Memorial Hospital	(5,295,461)	-
Held for endowments	(23,107,779)	(20,844,104)
Available based on spending policies	950,000	780,000
Total financial assets not available to be used within one year	(32,291,476)	(23,284,064)
Financial assets available to meet cash needs for general expenditures within one year	\$ 84,999,166	\$ 72,333,004

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 6. UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset class. The following is a summary of unconditional promises to give at June 30, 2021:

Due in one year or less	\$ 56,000	
Due in one to five years	60,000	
	116,000	
Less discount to present value	-	
Total unconditional promises to give	\$ 116,000	

Unconditional promises to give due to after June 30, 2021 are stated at their net present values. Management has discounted these promises to give using a risk-free rate of return of 1.8% determined at the time of the promise to give.

Note 7. INVESTMENTS:

At June 30, 2021 and 2020, investments consisted of the following:

	2021	2020
Investment in single investor fund	\$ 113,774,561	\$ 92,879,691
Fixed income securities held for gift annuities	36,688	37,067
	\$ 113,811,249	\$ 92,916,758

The Foundation invested in the Saint Francis Foundation, L.P., a limited partnership (the "Fund"), and is the sole limited partner. The general partner, an unrelated third party, owns 0.1% of the Fund and manages the Fund's daily operations.

The Fund is intended to serve as a single investor fund for the administrative convenience of the Foundation.

The Fund will generally seek to achieve long term equity-like returns through broadly diversifying by asset class, investment manager, geography, economic sector, and security, through an allocation of its assets among unaffiliated limited partnerships, unaffiliated limited liability companies, unaffiliated private equity and/or venture capital funds, including offshore funds, other investment entities and/or separate accounts managed pursuant to investment management agreements (collectively, the "Underlying Funds"), as well as publicly-traded stocks, mutual funds and pooled funds.

The Fund has commitments of \$43,412,500 and \$41,025,000 to underlying private equity funds as of June 30, 2021 and June 30, 2020, respectively, of which \$10,713,625 and \$10,253,796 remains unfunded as of June 30, 2021 and June 30, 2020, respectively. The unfunded amounts capture prior contributions made by the Foundation prior to inception of the Fund. These underlying funds are expected to be liquidated in 0-12 years unless terminated earlier or extended longer as permitted in the underlying funds' partnership agreement.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 7. INVESTMENTS (Continued):

The percentage breakdown of the investments held in the Fund is as follows at June 30:

	2021	2020
Comingled Funds:		
Global ex U.S. Common Stock	6.80%	6.40%
U.S. Common Stock	5.90%	6.90%
Diversifiers	1.20%	1.30%
Hedge Funds:		
Diversifiers	11.80%	11.50%
Global ex U.S. Common Stock	5.80%	6.20%
Growth	5.00%	5.30%
U.S. Common Stock	4.40%	3.90%
Exchange Traded Funds:		
U.S. Common Stock	6.90%	0.00%
Mutual Funds:		
Global ex U.S. Common Stock	3.10%	4.80%
Nominal Bonds	15.30%	18.00%
Real Assets	4.60%	3.30%
U.S. Common Stock	0.00%	6.50%
Private Equity Funds:		
Private Equity Funds	4.40%	3.70%
Private Natural Resources	3.80%	3.60%
Private Real Estate	2.10%	1.50%
Venture Capital	15.00%	12.20%
Money Market Mutual Funds	4.50%	0.80%

Investment income consisted of the following at June 30:

	2021	2020
Dividends and interest	\$ 618,994	\$ 872,354
Net realized and unrealized gains	23,206,274	1,405,283
	23,825,268	2,277,637
Less: investment management fees	(413,984)	(476,952)
Investment income - net	\$ 23,411,284	\$ 1,800,685
Net investment income recognized as:		
Without donor restrictions	\$ 13,139,441	\$ 975,585
With donor restrictions	10,271,843	825,100
	\$ 23,411,284	\$ 1,800,685

Due to market volatility, the investment portfolios of the Foundation may experience declines in value.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 8. CHARITABLE REMAINDER TRUSTS:

The Foundation is the beneficiary of two charitable remainder trusts. The terms of the agreement provide that at the time of the donor's death, the Foundation is to be distributed an agreed upon amount of the remaining trust assets based on the agreements. The fair value of the trust's assets is based on the fair value of the Foundation's share of the trust assets, expected distributions to the donors, the donor's life expectancy, and a 2.8% discount rate. At June 30, 2021 and June 30, 2020, one of the charitable remainder trusts had a present value of future benefits of \$0, and was not recorded in the statement of financial position. The present value of future benefits expected to be received by the Foundation for the other charitable remainder trust was estimated to be \$2,451,271 and \$1,824,765 as of June 30, 2021 and June 30, 2020, respectively.

Note 9. FAIR VALUE MEASUREMENTS:

The following tables sets forth by level (the fair value hierarchy) the fair value of the Foundation's assets:

	Investments at Fair Value as of June 30, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities held for gift annuities	\$ 36,688	\$ -	\$ -	\$ 36,688
Spilt interest agreements - charitable remainder trusts	<u>-</u>	<u>-</u>	<u>2,451,271</u>	<u>2,451,271</u>
Total investments at fair value hierarchy	<u>\$ 36,688</u>	<u>\$ -</u>	<u>\$ 2,451,271</u>	2,487,959
Investment in single investor fund measured at net asset value (a)				<u>113,774,561</u>
Total investments at fair value				<u>\$ 116,262,520</u>

	Investments at Fair Value as of June 30, 2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities held for gift annuities	\$ 37,067	\$ -	\$ -	\$ 37,067
Spilt interest agreements - charitable remainder trusts	<u>-</u>	<u>-</u>	<u>1,824,765</u>	<u>1,824,765</u>
Total investments at fair value hierarchy	<u>\$ 37,067</u>	<u>\$ -</u>	<u>\$ 1,824,765</u>	1,861,832
Investment in single investor fund measured at net asset value (a)				<u>92,879,691</u>
Total investments at fair value				<u>\$ 94,741,523</u>

- (a) Investment is measured at fair value using the net asset value per share (or its equivalent) and therefore have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 9. FAIR VALUE MEASUREMENTS (Continued):

The table below includes a roll-forward of the amounts for the years ended June 30, 2021 and 2020 (including the change in fair value), classified by the Foundation with Level 3 of the fair value hierarchy.

	Charitable Remainder Trusts
Fair value - June 30, 2019	\$ 1,957,968
Change in value	(133,203)
Fair value - June 30, 2020	1,824,765
Change in value	626,506
Fair value - June 30, 2021	\$ 2,451,271

The fair value of the beneficial interest in the charitable remainder trusts (level 3) is determined by calculating the estimated future payments using a discount rate as disclosed in Note 8, and applicable mortality tables. Total gains and losses for the charitable remainder trusts are included in the change in value of split interest agreements in statements of activities.

The following table summarized the investment that has a calculated net asset value per unit along with its related unfunded commitments and redemption features:

	Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Single Investor Fund (b)	\$113,774,561	\$ -	Quarterly	60 days prior to end of fiscal quarter

- (b) Includes a balanced portfolio of investments in U.S equity securities, foreign equity securities, fixed income securities, U.S. alternative investments, foreign alternative investments, and money market funds. The Fund's investment strategy is intended to produce results that earn an average annual inflation-adjusted (real) total return of at least 5% over the long-term, net of all investment management fees and operating expenses. The fair value of this investment has been estimated using the net assets value of the Fund.

Note 10. ANNUITY CONTRACTS PAYABLE:

The Foundation holds a charitable gift annuity that provides for fixed payments to a designated annuity beneficiary over their respective lifetime. Annuity contracts payable have been recognized at present value, using a discount rate of 4.5%, of the estimated future payments to be paid over the life expectancies of the annuitants using the 1983 Standard Annuity Reserve Tables. Assets received in conjunction with such charitable gift annuities were recorded at their fair value at the date of receipt.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 11. FUNDS HELD FOR SAINT FRANCIS MEMORIAL HOSPITAL:

The Foundation acts as a fiscal agent for Saint Francis Memorial Hospital. There were no administrative fees charged for these services during the years ended June 30, 2021 and 2020.

The activity related to these funds was as follows:

	Endowed Funds	Other	Total
Reclassification - July 1, 2020	\$ 1,832,532	\$ 2,691,310	\$ 4,523,842
Funds received	-	288,412	288,412
Investment return	483,207	-	483,207
Balance - June 30, 2021	\$ 2,315,739	\$ 2,979,722	\$ 5,295,461

Note 12. NET ASSETS WITH DONOR RESTRICTIONS:

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

	2021	2020
Subject to expenditure for specified purpose:		
Pierotti Fund	\$ 25,496,677	\$ 19,943,755
Emergency services	-	410,871
ICU/CCU	-	792,747
Oncology	20,748	483,742
Education	8,974	350,385
Sports medicine	-	296,888
Community benefit	10,312	343,249
Bothin Burn Center	-	170,270
General fund for Hospital	-	88,244
Plastic and reconstructive surgery program	-	800
Other funds	119,200	298,350
	25,655,911	23,179,301
Subject to passage of time:		
Beneficial interest in charitable trusts held by others	2,451,271	1,824,765
Time restricted	-	87,646
	2,451,271	1,912,411
Endowments accumulated subject to appropriations:		
Other restricted funds	348,586	778,768
Unrestricted as to purpose	8,296,023	4,363,533
	8,644,609	5,142,301
Perpetual in nature - subject to spending policy and appropriations:		
Funds to be used for the benefit of the Hospital	436,016	1,674,649
Earnings unrestricted as to purpose	14,027,154	14,027,154
	14,463,170	15,701,803
Total net assets with donor restrictions	\$ 51,214,961	\$ 45,935,816

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 12. NET ASSETS WITH DONOR RESTRICTIONS (Continued):

Net assets with donor restrictions released for donor-designated program expenses or time restrictions incurred during the years ended June 30, 2021 and 2020 are as follows:

Purpose/time restricted:			
Pierotti Fund	\$	1,877,939	\$ 47,561
Emergency services		73,982	119,369
Education		87,583	76,031
Sports medicine		-	-
Community benefit		344,336	98,422
Bothin Burn Center		-	37,311
General fund for Hospital		20	22,254
Plastic and reconstructive surgery program		-	-
Other funds		58,739	18,109
Time restricted general fund (Peter Musto)		100,000	-
		<u>2,542,599</u>	<u>419,057</u>
Rescinded Grants			
Pierotti Fund		(2,172,040)	-
Emergency services		(73,982)	-
General fund for Hospital		(20)	-
		<u>(2,246,042)</u>	<u>-</u>
Endowment accumulated earnings:			
Other restricted funds		-	2,500
Unrestricted as to purpose		916,814	827,844
		<u>916,814</u>	<u>830,344</u>
		<u>\$ 1,213,371</u>	<u>\$ 1,249,401</u>

Note 13. ENDOWMENTS:

As of June 30, 2021 and June 30, 2020, the Foundation's endowments consisted of eight individual funds established for a variety of purposes and include only donor-restricted endowment funds. These funds are classified as net assets with donor restrictions. At June 30, 2021 and June 30, 2020, the Foundation did not have any board-designated endowment funds.

The Foundation is subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) governing endowments. The Foundation has interpreted this law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result, the Foundation classifies as net assets with donor restriction, perpetual in nature:

- a) the original value of gifts donated to the endowment;
- b) the original value of subsequent gifts to the endowment;
- c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 13. ENDOWMENTS (Continued):

Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed under the law.

From time to time, the fair market value of assets associated with the endowment funds may fall below the level required to be retained as funds of perpetual duration. The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. At June 30, 2021 and June 30, 2020, the fair market value of endowment assets exceeded the required corpus of the funds.

The Foundation has adopted investment and spending policies for endowment asset that attempt to preserve and enhance the inflation-adjusted (real) value of the corpus in perpetuity, provide a relatively stable stream of earnings consistent with the Foundation's grant making activities, and to balance the needs of current and future beneficiaries of the Foundation.

Under this policy, the endowment assets are invested in a manner that is intended to produce results that earn an average annual inflation-adjusted (real) total return of at least 5%, net of all investment management fees and operating expenses over the long term. The actual return in any given year may vary from this amount. To satisfy its long-term and rate-of-return objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation's annual spending rate from the endowment is 4% of the average market value calculated over the prior twelve quarters through the fiscal year-end proceeding the fiscal year in which the distribution is planned. The Foundation has flexibility to appropriate more than the 4% spending rate in any one year based on additional consideration of program needs, general economic conditions and if the evaluation of the selected spending rate indicates exercise of prudence based on the judgment of management and the Board of Directors. Certain endowment gifts are designated for specific purposes, the income from which (included in the spending rate) is spent in accordance with those designations.

The Foundation's endowment net assets with donor restrictions consisted of the following at June 30:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Donor restricted endowment funds:		
Original donor- restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 14,463,170	\$ 15,701,803
Accumulated investment gains	<u>8,644,609</u>	<u>5,142,301</u>
	<u>\$ 23,107,779</u>	<u>\$ 20,844,104</u>

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 13. ENDOWMENTS (Continued):

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

Endowment net assets - July 1, 2019	\$ 21,275,695
Investment income, net	429,508
Appropriation for expenditure	<u>(861,099)</u>
Endowment net assets - June 30, 2020	20,844,104
Restatement	(1,832,532)
Investment income, net	5,013,021
Appropriation for expenditure	<u>(916,814)</u>
Endowment net assets - June 30, 2021	<u><u>\$ 23,107,779</u></u>

Note 14. GOVERNMENT GRANT:

On April 30, 2020, the Foundation received funding in the amount of \$198,100 under the Paycheck Protection Program (“PPP”). On February 17, 2021, the Foundation received a second grant in the amount of \$168,332. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expense of the qualifying business.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Foundation used the proceeds for the purposes consistent with the PPP. While the Foundation currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure you that we will not take actions that could cause the Foundation to be ineligible for forgiveness of the loan, in whole or in part. The Foundation’s qualifying expenses amounted to the entire amount of the loan; therefore, \$168,332 and \$198,100 is being recognized as government grant income in the accompanying financial statements for the years ended, June 30, 2021 and 2020, respectively. The Foundation received forgiveness in the amount of \$198,100 on April 26, 2021. The additional amount is expected to be forgiven.

Note 15. IN-KIND CONTRIBUTIONS:

Saint Francis Memorial Hospital provides occupancy to the Foundation at no cost. During the years ended June 30, 2021 and June 30, 2020, the value of the occupancy totaled \$120,000, respectively.

The Foundation received in-kind gifts of \$236,556 and \$86,411 during the years ended June 30, 2021 and June 30, 2020, respectively. Included in the above amounts are auction items of \$72,056 and \$45,457, for the years ended.

Note 16. RETIREMENT PLANS:

Cash Balance Plan:

Eligible staff of the Foundation participate in a multi-employer retirement plan sponsored by the Hospital's parent company, Dignity Health. The Plan has a church plan exemption and provides for both a defined benefit pension plan and a combination of a 403(b) and 401(a) plan (savings plan). The savings portion of the Plan includes an employer matching component of 50 cents on the dollar up to 6% of eligible compensation. The Plan also includes certain vesting provisions. Benefits are generally based on years of services and the employer's compensation. Contributions to the pension portion of the Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to the plan participants.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 16. RETIREMENT PLANS (Continued):

Defined Benefit Pension Plan:

The Foundation participates in a separate trustee-managed multiemployer defined benefit pension plan. The Plan is applicable to non-union employees of the Hospital. The Plan generally provides retirement benefits to employees based on years of service to the Foundation.

The multiemployer pension plans are each managed by a board of trustees. Although the Foundation is not represented on any of the board of trustees, other contributing employers are members of the boards.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because:

- a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers;
- b) if a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be required to be borne by the remaining participating employers; and
- c) if the Foundation chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the Plan. Depending upon the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Foundation's change in net assets in the period of withdrawal.

The following presents information about the Foundation's multiemployer pension plans for the years ended June 30, 2021 and 2020:

Name of Pension Fund	EIN and Plan Number, if Available	Pension Protection Act Zone Status		FIP/RP Status	Contributions for the Year Ended June 30,		Surcharge Imposed	Expiration of Collective Bargaining Agreement
		2021	2020		2021	2020		
Dignity Health Pension Plan	94-1196203 Plan No. 001	N/A	N/A	N/A	*	*	No	Not applicable
Retirement Plan for Hospital Employees	94-2995676 Plan No.001	Green 12/31/20	Green 12/31/19	N/A	*	*	No	Not applicable

*Contributions of \$99,279 and \$88,871 were charged to pension expense for ongoing participation in these plans for the years ended June 30, 2021 and 2020, respectively.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 16. RETIREMENT PLANS (Continued):

Plan information for the Dignity Health Pension Plan is not publicly available. This Plan provides for benefits based on years of service and the employee's compensation. The Foundation is unable to provide additional qualitative information about total plan assets, accumulated benefit obligations, and the amount by which the Plan is funded without undue cost and effort. The Foundation did not contribute more than 5% of the total contribution to the Plan.

The Foundation is not obligated for any minimum contributions for the Retirement Plan for Hospital Employees (the "Plan"). Based on the most recently available Form 5500 for the Plan (plan year ended December 31, 2019), the Foundation did not contribute more than 5% of total contributions to the Plan.

In June 2021, the Foundation withdrew from its multiemployer pension plans. The multiemployer plan is fully funded and there was no withdrawal liability due at June 30, 2021

Note 17. LOSS DUE TO CYBER FRAUD:

In June of 2021, the Foundation was a victim of cyber fraud. A portion of the funds were recovered from the bank that received the fraudulent transactions, in addition the Foundation received insurance proceeds to cover a portion of the loss. At June 30, 2021 these were both outstanding receivables on the statement of financial position. The Foundation recognized a loss due to cyber fraud of \$214,000, calculated as follows:

Loss due to cyber fraud	
Cyber fraud loss	\$ 444,746
Funds recovered from bank	(135,746)
Insurance proceeds	<u>(95,000)</u>
	<u>\$ 214,000</u>

Note 18. COMMITMENTS:

The Foundation is liable under a long-term operating lease agreement for office space. Future minimum lease payments required under the lease obligation are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2022	\$ 61,275
2023	74,892
2024	76,526
2025	78,160
2026	79,794
Thereafter	<u>13,344</u>
	<u>\$ 383,991</u>

Note 19. COVID-19 IMPACT:

COVID-19 has become a global pandemic and has resulted in unprecedented actions by governments around the world to curtail the spread of the disease. These events have resulted in a high level of uncertainty. The outcome and timeframe are highly unpredictable and as such, the financial impact to operations cannot be estimated at this time.

SAINT FRANCIS FOUNDATION

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2021 AND JUNE 30, 2020

Note 20 . SUBSEQUENT EVENTS:

Management has evaluated events through March 14, 2022, the date which the financial statements were available for issue.

Effective August 13, 2021, the Foundation created a pension plan for it's employees

On September 1, 2021 the Foundation began leasing office space, the commitments for this lease are included in Note 18.

SAINT FRANCIS FOUNDATION

SUPPLEMENTAL INFORMATION

SAINT FRANCIS FOUNDATION

SCHEDULE OF GRANT AWARDS

YEAR ENDED JUNE 30, 2021

<u>Grant Name</u>	<u>Grants Payable July 1, 2020</u>	<u>Awards</u>	<u>Distributed</u>	<u>Grants Completed Under Budget or Closed Funds</u>	<u>Grants Payable June 30, 2021</u>
Diagnostic Imaging Project (MRI)	\$ 868,609	\$ -	\$ -	\$ (868,609)	\$ -
Innowave ultrasonic cleaner for surgical instruments	852,513	-	-	(852,513)	-
Cardiovascular ultrasound system	203,701	-	-	(203,701)	-
Gastro-Intestinal lab suites	135,698	-	-	(135,698)	-
Precision surgical microscope for operating room	125,111	-	(125,111)	-	-
Hematology lab analyzer	121,330	-	(62,008)	(59,322)	-
Chemistry lab analyzer	20,429	-	-	(20,429)	-
Trauma Center feasibility study	73,982	-	-	(73,982)	-
TempTrak Temperature Monitoring System	134,872	-	-	(134,872)	-
Bothin Burn Center 10 week training program for nurses	90,656	-	-	-	90,656
Trans Health & Wellness Project	30,000	-	(30,000)	-	-
CalOES Rally: Supervised Visitation	-	204,337	(204,337)	-	-
Hospital café renovation feasibility study	75,000	-	(74,965)	(35)	-
OSI 11th floor flooring replacement	-	296,738	-	-	296,738
Mitaka MM51 Microscope	-	97,398	(65,629)	(31,769)	-
DaVinci XI Robot	-	1,779,826	(1,779,826)	-	-
Curry Senior Center Behavioral Health Navigation	-	35,211	(17,606)	-	17,605
Larkin Street Youth Services, Improving Behavioral Health for Young People Experiencing Homelessness	-	250,000	(150,000)	-	100,000
Mental Health Association of San Francisco, Peer Navigation Program	-	274,400	(137,200)	-	137,200
Asian & Pacific Islander Wellness Center dba San Francisco Community Health Center TRANSCARE FY 21-24	-	300,000	(50,000)	-	250,000
Glide's ER to HRx Project	-	100,000	-	-	100,000
Other grant disbursements	153,149	318,897	(366,281)	(20,040)	85,725
	<u>\$ 2,885,050</u>	<u>\$ 3,656,807</u>	<u>\$ (3,062,963)</u>	<u>\$ (2,400,970)</u>	<u>\$ 1,077,924</u>

See notes to financial statements.

SAINT FRANCIS FOUNDATION

SCHEDULE OF GRANT AWARDS

YEAR ENDED JUNE 30, 2020

<u>Grant Name</u>	<u>Grants Payable July 1, 2019</u>	<u>Awards</u>	<u>Distributed</u>	<u>Grants Completed Under Budget or Closed Funds</u>	<u>Grants Payable June 30, 2020</u>
Diagnostic Imaging Project (MRI)	\$ 951,588	\$ -	\$ (82,979)	\$ -	\$ 868,609
Innowave ultrasonic cleaner for surgical instruments	852,513	-	-	-	852,513
Mobile computer stations for patient care floors	421,250	-	(420,543)	(707)	-
Radiology diagnostic equipment for 1st floor and sports med	206,482	-	(206,482)	-	-
Cardiovascular ultrasound system	203,701	-	-	-	203,701
Behavioral health unit renovation	167,000	-	(167,000)	-	-
Gastro-Intestinal lab suites	165,278	-	(29,580)	-	135,698
Precision surgical microscope for operating room	125,111	-	-	-	125,111
Hematology lab analyzer	121,330	-	-	-	121,330
Chemistry lab analyzer	120,916	-	(100,487)	-	20,429
Transgender surgeries conference	105,000	-	-	(105,000)	-
Trauma Center feasibility study	73,982	-	-	-	73,982
Physical therapy for burn patients	8,800	-	(8,800)	-	-
TempTrak Temperature Monitoring System	-	134,872	-	-	134,872
Bothin Burn Center 10 week training program for nurses	-	90,656	-	-	90,656
Trans Health & Wellness Project	-	30,000	-	-	30,000
CalOES Rally: Supervised Visitation	-	230,507	(230,507)	-	-
Microscan lab microbiology	85,900	-	-	(85,900)	-
Hospital café renovation feasibility study	75,000	-	-	-	75,000
Other grant disbursements	348,369	405,455	(599,682)	(993)	153,149
	<u>\$ 4,032,220</u>	<u>\$ 891,490</u>	<u>\$ (1,846,060)</u>	<u>\$ (192,600)</u>	<u>\$ 2,885,050</u>

See notes to financial statements.