COMMUNITIES IN SCHOOLS
OF CHICAGO

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

COMMUNITIES IN SCHOOLS OF CHICAGO

YEARS ENDED JUNE 30, 2021 AND 2020

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Independent Auditors' Report

Board of Directors
Communities In Schools of Chicago

We have audited the accompanying financial statements of Communities In Schools of Chicago (the Organization) (a not-for-profit organization), which comprise the statements 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 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.

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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 Communities In Schools of Chicago as of June 30, 2021 and 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 2 to the financial statements, the Organization has adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

Ostrow Reisin Berk & Abrams, Ltd.

November 12, 2021

COMMUNITIES IN SCHOOLS OF CHICAGO

STATEMENTS OF FINANCIAL POSITION

June 30,	2021			2020		
	Without donor restrictions	**With donor restrictions**	**Total**	Without donor restrictions	With donor restrictions	Total
ASSETS						
Cash	**$ 1,195,234**	**$ 74,437**	**$ 1,269,671**	$ 2,005,532	$ 902,062	$ 2,907,594
Investments	**992,001**	**1,902,235**	**2,894,236**		3,241,871	3,241,871
Grants and contributions receivable	**838,982**	**225,000**	**1,063,982**	38,820	650,816	689,636
School service contracts receivable	**12,300**		**12,300**	63,200		63,200
Prepaid expense and other assets	**110,968**		**110,968**	79,431		79,431
Property and equipment, net	**94,440**		**94,440**	141,522		141,522
Total assets	**$ 3,243,925**	**$ 2,201,672**	**$ 5,445,597**	$ 2,328,505	$ 4,794,749	$ 7,123,254
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued expenses	**$ 277,627**		**$ 277,627**	$ 281,925		$ 281,925
Contract liabilities	**8,000**		**8,000**			
Note payable				784,197		784,197
Deferred rent				16,435		16,435
Total liabilities	**285,627**		**285,627**	1,082,557		1,082,557
Net assets	**2,958,298**	**$ 2,201,672**	**5,159,970**	1,245,948	$ 4,794,749	6,040,697
Total liabilities and net assets	**$ 3,243,925**	**$ 2,201,672**	**$ 5,445,597**	$ 2,328,505	$ 4,794,749	$ 7,123,254

See notes to financial statements.

COMMUNITIES IN SCHOOLS OF CHICAGO

STATEMENTS OF ACTIVITIES

Years ended June 30,	2021			2020		
	Without donor restrictions	**With donor restrictions**	**Total**	Without donor restrictions	With donor restrictions	Total
Revenue, gains and support:						
Individual contributions	**$ 1,046,610**		**$ 1,046,610**	$ 1,141,822		$ 1,141,822
Corporate contributions	**230,399**	**$ 110,000**	**340,399**	338,234		338,234
Foundation contributions	**429,000**	**211,500**	**640,500**	404,000	$ 845,000	1,249,000
Government grants	**847,872**		**847,872**	72,087		72,087
School service contracts	**556,500**		**556,500**	644,860		644,860
Contributed goods and services				97,184		97,184
Special events	**155,241**		**155,241**			
Net investment income	**3,788**		**3,788**	67,577		67,577
Forgiveness of debt - PPP loan	**784,197**		**784,197**			
Other	**16,851**		**16,851**			
Net assets released from restrictions	**2,914,577**	**(2,914,577)**		2,942,278	(2,942,278)	
Total revenue, gains and support	**6,985,035**	**(2,593,077)**	**4,391,958**	5,708,042	(2,097,278)	3,610,764
Expenses:						
Program services	**4,038,909**		**4,038,909**	4,217,328		4,217,328
Management and general	**553,847**		**553,847**	775,480		775,480
Fundraising	**679,929**		**679,929**	662,007		662,007
Total expenses	**5,272,685**		**5,272,685**	5,654,815		5,654,815
Change in net assets	**1,712,350**	**(2,593,077)**	**(880,727)**	53,227	(2,097,278)	(2,044,051)
Net assets:						
Beginning of year	**1,245,948**	**4,794,749**	**6,040,697**	1,192,721	6,892,027	8,084,748
End of year	**$ 2,958,298**	**$ 2,201,672**	**$ 5,159,970**	$ 1,245,948	$ 4,794,749	$ 6,040,697

See notes to financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended June 30,	2021				2020			
	Program services	**Management and general**	**Fundraising**	**Total**	Program services	Management and general	Fundraising	Total
Personnel costs	**$ 3,745,296**	**$ 365,666**	**$ 627,944**	**$ 4,738,906**	$ 3,759,956	$ 594,332	$ 587,314	$ 4,941,602
Occupancy	**109,623**	**39,723**	**17,689**	**167,035**	111,900	28,073	20,484	160,457
Consultants and professional services	**41,276**	**92,386**	**1,310**	**134,972**	121,358	75,952	12,050	209,360
Depreciation and amortization	**31,811**	**8,907**	**6,364**	**47,082**	19,001	5,172	4,200	28,373
Insurance	**35,887**	**3,767**	**6,327**	**45,981**	35,380	4,732	5,868	45,980
Program expenses	**36,951**	**4,460**	**106**	**41,517**	73,166	2,658	1,299	77,123
Technology costs	**15,145**	**11,035**	**4,818**	**30,998**	28,378	11,653	10,033	50,064
Office and administrative	**7,733**	**18,076**	**4,649**	**30,458**	14,270	31,295	10,168	55,733
Staff development	**15,187**	**9,827**	**3,483**	**28,497**	53,919	21,613	10,591	86,123
Special events			**7,239**	**7,239**				
Total expenses	**$ 4,038,909**	**$ 553,847**	**$ 679,929**	**$ 5,272,685**	$ 4,217,328	$ 775,480	$ 662,007	$ 5,654,815

See notes to financial statements.

COMMUNITIES IN SCHOOLS OF CHICAGO

STATEMENTS OF CASH FLOWS

Years ended June 30,	2021	2020
Cash flows from operating activities:		
Change in net assets	**$ (880,727)**	$ (2,044,051)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized (gain) loss on investments	**22,540**	(28,494)
Depreciation and amortization	**47,082**	28,373
Deferred rent	**(16,435)**	(12,993)
Forgiveness of debt - PPP loan	**(784,197)**	
(Increase) decrease in operating assets:		
Grants and contributions receivable	**(374,346)**	(219,780)
School service contracts receivable	**50,900**	26,920
Prepaid expense and other assets	**(31,537)**	(30,226)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	**(4,298)**	100,286
Contract liabilities	**8,000**	
Net cash used in operating activities	**(1,963,018)**	(2,179,965)
Cash flows from investing activities:		
Purchases of investments	**(3,497,244)**	(3,213,377)
Proceeds from sales of investments	**3,822,339**	
Purchase of property and equipment		(57,498)
Net cash provided by (used in) investing activities	**325,095**	(3,270,875)
Cash flows from financing activity:		
Proceeds from note payable		784,197
Net cash provided by financing activity		784,197
Net decrease in cash	**(1,637,923)**	(4,666,643)
Cash, beginning of year	**2,907,594**	7,574,237
Cash, end of year	**$ 1,269,671**	$ 2,907,594

See notes to financial statements.

1. Organization and purpose

Communities In Schools of Chicago (the Organization) is an Illinois not-for-profit corporation that surrounds students with a community of support, empowering them to stay in school and succeed in life. The Organization's primary funding source is donor contributions.

The Organization is an affiliate of Communities In Schools, Inc., a national dropout prevention organization. The Organization functions independently, with a separate 501(c)(3) status, an autonomous board of directors and independent funding.

2. Summary of significant accounting policies

The significant accounting policies of the Organization are summarized below:

Basis of accounting:

The Organization's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Adoption of new accounting standard:

Effective July 1, 2020, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires that the Organization recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance uses a principles-based approach for determining revenue recognition, eliminates the transaction and industry-specific guidance, and establishes a five step approach for the recognition of revenue. The Organization implemented this standard during the year ended June 30, 2021 using the full retrospective method. The adoption of this standard did not materially impact the financial statements of the Organization.

2. Summary of significant accounting policies (continued)

Basis of presentation:

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

Without donor restrictions – Net assets without donor restrictions are available to finance the general operations of the Organization. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its Articles of Incorporation.

With donor restrictions – Net assets with donor restrictions result (a) from contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations and (c) from donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the Organization to utilize or expend part or all of the income or other economic benefits derived from the donated assets. There were no net assets with donor restrictions that are required to be maintained permanently by the Organization at June 30, 2021 and 2020.

Investments:

Investments in mutual funds and government securities are stated at fair value. Investments in certificates of deposit are carried at cost plus accrued interest, which approximates fair value. Realized and unrealized investment gains and losses and other investment income less external investment expenses are reflected in the statements of activities as net investment income.

2. Summary of significant accounting policies (continued)

Grants and contributions receivable:

Unconditional promises to give are recorded as receivables and revenue when received. Unconditional promises to give represent amounts pledged by donors or grantors, some of which are due in installments. Amounts due on dates that are more than one year in the future are recorded net of a present value discount. Conditional promises to give are not included in revenue until the conditions are substantially met. The Organization provides for losses on unconditional promises to give using the allowance method. The allowance is based on experience and knowledge of circumstances that may affect the ability of donors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with agreed upon terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines that the receivable will not be collected. Management has determined that all unconditional promises to give are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at June 30, 2021 and 2020.

Grants and contributions:

Grants and contributions received are recorded with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Support with donor restrictions is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization reports grants and contributions with donor restrictions for which restrictions are met in the same reporting period as grants and contributions revenue without donor restrictions.

Contributed goods and services:

The Organization recognizes revenue at fair value for goods and services contributed when the contributed services a) create or enhance nonfinancial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the year ended June 30, 2020, the Organization was the recipient of contributed program consulting fees totaling $97,184 which is included in consultants and professional services under program services on the statements of functional expenses.

2. Summary of significant accounting policies (continued)

Property and equipment:

Property and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. Major additions and betterments of $2,000 or more are capitalized while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expensed as incurred. Depreciation expense is calculated using the straight-line method over the estimated useful lives ranging from three to seven years for furniture, equipment and software. Leasehold improvements are amortized over the lesser of the life of the asset or the remaining term of the lease.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2021 and 2020.

Deferred rent:

The Organization records monthly rent expense equal to total minimum payments due over the lease term, divided by the number of months in the lease term. The difference between rent expense recorded and the amount paid is charged (credited) to deferred rent in the statements of financial position.

Functional allocation of expenses:

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Operating expenses identified with a functional area are charged directly to that area and where expenses affect more than one area, they are allocated based on the percentage of personnel related expenses in the functional category. Personnel related expenses are allocated based on an estimate of time and effort. Occupancy, insurance, and depreciation and amortization are allocated based on a square footage basis. All other costs are directly allocated.

2. Summary of significant accounting policies (continued)

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Reclassifications:

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent events:

Management of the Organization has reviewed and evaluated subsequent events through November 12, 2021, the date the financial statements were available to be issued.

3. Revenue from contracts with customers

The Organization recognizes revenue upon delivery of services in an amount that reflects the consideration that the Organization expects to receive in exchange for those goods or services. The Organization's revenue from contracts with customers is from fixed-fee contracts with Chicago Public Schools to provide services at individual schools. Services provided include school support plans, whole school interventions and case management services for students. Contracts are generally accounted for as a single unit of account (a single performance obligation) and are not segmented between types of services. Revenue is recognized evenly over the contract term (over time) as services are performed. Contracts generally cover services during a single school year from August to June. Fees received in advance of services provided, if any, are recognized as contract liabilities.

3. Revenue from contracts with customers (continued)

Disaggregation of revenue:

Revenue from contracts with customers disaggregated by category for the years ended June 30, 2021 and 2020 was as follows:

Years ended June 30,	**2021**	2020
Revenue recognized over time:		
School service contracts	**$ 556,500**	$ 644,860

Contract balances:

School service contracts receivable were $12,300, $63,200, and $90,120 at June 30, 2021, 2020, and 2019, respectively. School service contracts receivable are stated at unpaid balances, less an allowance for doubtful accounts, if necessary. The Organization provides for losses on contracts receivable using the allowance method. The allowance is based on experience, third-party contracts, and knowledge of circumstances that may affect the ability of customers to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible school service contracts receivable when management determines that the receivable will not be collected. Management has determined that school service contracts receivable are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at June 30, 2021, 2020, and 2019.

Contract liabilities, which represent fees received in advance of school services provided, were $8,000 at June 30, 2021 and $-0- at both June 30, 2020 and 2019.

There were no contract assets at June 30, 2021, 2020, and 2019.

Significant judgments:

Significant judgments are required to be made by management to determine the appropriate approach to applying the revenue recognition criteria. Significant judgment was also required when determining to account for contracts as a single unit of account (a single performance obligation) or to segment between types of services.

4. COVID-19

The Organization's programs and operations have not been significantly impacted by the COVID-19 pandemic. The Organization primarily relies on grants and contributions which fluctuate on an annual basis, to support its programs and operations. The Organization's contracts have not been materially impacted by the COVID-19 pandemic. The Organization believes that the ultimate impact of the COVID-19 pandemic on grants and contributions, contracts and programs is likely to be determined by factors which are uncertain, unpredictable and outside of the Organization's control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could adversely impact the Organization.

In response to the COVID-19 pandemic in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) that, among other economic stimulus measures, established the Employee Retention Credit (ERC) to provide a refundable tax credit against certain employment taxes if eligibility requirements are met. The credit is equal to 50% of qualified wages paid from March 12, 2020 to December 31, 2020 with a maximum credit of $5,000 per employee for 2020. During calendar year 2021, the credit is equal to 70% of qualified wages per quarter, with a maximum quarterly credit of $7,000 per employee. The Organization has applied for the ERC for the quarters ended March 31, 2021 and June 30, 2021. The Organization has accounted for the ERC as a conditional contribution and has recognized government grants revenue of $785,897 during the year ended June 30, 2021.

5. Tax status

The Organization is exempt from income taxes under Section 501(c)(3) of Internal Revenue Code (the Code) and applicable state law, except for taxes pertaining to unrelated business income, if any. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) of the Code.

Management has determined that the Organization was not required to record a liability related to uncertain tax positions as of June 30, 2021 and 2020.

6. Liquidity and availability

The Organization's financial assets available to meet general expenditures within one year are as follows:

June 30,	2021	2020
Financial assets at year-end:		
Cash	**$ 1,269,671**	$ 2,907,594
Investments	**2,894,236**	3,241,871
Grants and contributions receivable	**1,063,982**	689,636
School service contracts receivable	**12,300**	63,200
Total financial assets	**5,240,189**	6,902,301
Less amounts not available within one year due to donor restrictions		(1,721,817)
Less unconditional promises to give receivable in greater than one year		(211,400)
Financial assets available to meet general expenditures within one year	**$ 5,240,189**	$ 4,969,084

The sources of liquidity for the Organization are cash, investments, grants and contributions receivable, and school service contracts receivable. During the year ended June 30, 2019, the Organization received two significant cash donations with donor restrictions which will be expended over a period of three years. The Organization maintains its cash balance to cover up to three months of operating expenses. Cash in excess of this may be invested in securities with the goal of safety of capital while ensuring adequate liquidity to meet operational needs. The Organization monitors liquidity by reviewing monthly financial statements including budget-to-actual reports.

7. Fair value

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

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

The asset's 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.

7. Fair value (continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

Investments in mutual funds and government securities: Valued at fair value based on quoted market prices.

Certificates of deposit: Carried at cost which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

June 30, 2021	**Level 1**	**Total**
Money market mutual fund	**$ 717,030**	**$ 717,030**
United States government securities	**685,206**	**685,206**
Total investments at fair value	**$ 1,402,236**	**1,402,236**
Certificates of deposit		**1,492,000**
Total investments		**$ 2,894,236**

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

June 30, 2020	Level 1	Total
Money market mutual fund	$ 1,229,646	$ 1,229,646
United States government securities	2,012,225	2,012,225
Total investments at fair value	$ 3,241,871	$ 3,241,871

7. Fair value (continued)

Risks and uncertainties:

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

8. Concentration of credit risk

The Organization maintains its cash in accounts at a financial institution which, at times, may exceed federally-insured prescribed limits. As of June 30, 2021 and 2020, the amounts held in excess of federally-insured limits total approximately $2,592,000 and $2,719,000, respectively. Management believes that the Organization is not subject to any significant credit risk on cash.

9. Grants and contributions receivable

Unconditional promises to give are as follows:

June 30,	**2021**	2020
Receivable in less than one year	**$ 1,063,982**	$ 478,236
Receivable in one to five years		211,400
Total unconditional promises to give	**$ 1,063,982**	$ 689,636

10. Property and equipment

The components of property and equipment are as follows:

June 30,	**2021**	2020
Furniture, equipment and software	**$ 197,225**	$ 197,225
Leasehold improvements	**33,549**	33,549
	230,774	230,774
Less accumulated depreciation and amortization	**(136,334)**	(89,252)
Property and equipment, net	**$ 94,440**	$ 141,522

11. Note payable

One component of the CARES Act was the Paycheck Protection Program (PPP) which provides businesses with funding to maintain their payroll and cover applicable overhead. The PPP was implemented by the Small Business Administration (SBA) with support from the Department of the Treasury. The PPP provides funds to pay up to 24 weeks of payroll costs including benefits. Funds can also be used for other allowable costs. During the year ended June 30, 2020, the Organization applied for and received a PPP loan of $784,197. The PPP loan was a two-year loan with a maturity date of May 1, 2022 and an annual interest rate of 1%. The Organization accounted for the PPP loan under the debt model. In April 2021, the Organization applied for and received forgiveness of the entire PPP loan balance. The loan forgiveness of $784,197 is recorded as forgiveness of debt revenue on the statements of activities.

12. Retirement plan

Employees of the Organization may participate in a 401(k) savings plan, whereby the employees may elect to make contributions pursuant to a salary reduction agreement, upon meeting age and length-of-service requirements. Employees may elect to defer a portion of their compensation up to the maximum allowed under Internal Revenue Service regulations. The Organization may make matching contributions equal to a discretionary percentage, to be determined by the Organization, of the participant's elective deferrals. In addition, the Organization may contribute an additional, discretionary amount. The Organization's matching contributions were $80,124 and $61,596 for the years ended June 30, 2021 and 2020, respectively.

13. Lease commitment

The Organization leases office space under an operating lease expiring in June 2024. Rent expense was $124,762 and $124,784 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments are as follows:

Year ending June 30:	Amount
2022	$ 124,810
2023	127,306
2024	129,851
Total	$ 381,967

14. Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purpose or time restrictions:

June 30,	**2021**	2020
Purpose restrictions:		
Intensive program	**$ 1,928,415**	$ 4,274,749
Other programs	**158,257**	300,000
Time restrictions	**115,000**	220,000
Total net assets with donor restrictions	**$ 2,201,672**	$ 4,794,749

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the following purpose or time restrictions specified by donors:

Years ended June 30,	**2021**	2020
Purpose restrictions:		
Intensive program	**$ 2,566,334**	$ 2,687,278
Partnership program		50,000
Other programs	**203,243**	60,000
Time restrictions	**145,000**	145,000
Total net assets released from restrictions	**$ 2,914,577**	$ 2,942,278