

Certified Public Accountants

555 Second Avenue, F-100 • Collegeville, PA 19426-3600
Tel: (610) 409-0366 • Fax: (610) 409-0866

**ORION COMMUNITIES, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020**

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INDEPENDENT AUDITOR'S REPORT

Philadelphia • Tel: (215) 875-2561

To the Board of Directors
Orion Communities, Inc.
Phoenixville, Pennsylvania

Opinion

We have audited the accompanying financial statements of Orion Communities, Inc. (a nonprofit organization), which comprise the statements of financial position, as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orion Communities, Inc. as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orion Communities, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Orion Communities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Orion Communities, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orion Communities, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Orion Communities, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audit financial statements in our report dated February 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bond, Pezzano & Etze, PC

Collegeville, Pennsylvania
February 28, 2022

ORION COMMUNITIES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 597,182	\$ 456,662
Investments	47,791	-
Prepaid expenses	-	555
Security deposit	<u>2,900</u>	<u>2,900</u>
 TOTAL ASSETS	 <u>\$ 647,873</u>	 <u>\$ 460,117</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Other liabilities	\$ 12,165	\$ 5,448
PPP Loan	<u>-</u>	<u>57,851</u>
TOTAL LIABILITIES	12,165	63,299
 Net Assets		
Without donor restrictions	427,946	291,171
With donor restrictions	<u>207,762</u>	<u>105,647</u>
TOTAL NET ASSETS	635,708	396,818
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 647,873</u>	 <u>\$ 460,117</u>

See accompanying notes to financial statements.

**ORION COMMUNITIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020**

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES						
Support:						
Community Coalition	\$ 70,840	-	\$ 70,840	\$ 80,284	-	\$ 80,284
Contributions	259,028	-	259,028	315,771	29,000	344,771
Contributions-in-Kind	85,082	-	85,082	3,602	-	3,602
Foundation Awards	245,619	340,846	586,465	163,009	261,662	424,661
Special Events, Net of Related Expenses of \$22,728 - 2021 and \$16,371 - 2020	65,716	-	65,716	81,608	-	81,608
Released from Restriction	243,581	(243,581)	-	379,247	(379,247)	-
Total Support	969,866	97,265	1,067,131	1,023,521	(88,595)	934,926
Revenues:						
Investment Income	(209)	4,850	4,641	-	-	-
Interest Income	310	-	310	1,017	-	1,017
Rental Income	-	-	-	1,000	-	1,000
Other Income	20,500	-	20,500	26,068	-	26,068
	20,601	4,850	25,451	28,085	-	28,085
TOTAL SUPPORT AND REVENUES	\$ 990,467	\$ 102,115	\$ 1,092,582	\$ 1,051,606	\$ (88,595)	\$ 963,011
PROGRAM SERVICES						
Bridge Case Management	324,163	-	324,163	296,058	-	296,058
Community Emergency Fund	300,563	-	300,563	314,872	-	314,872
Technology Resource Center	12,230	-	12,230	9,077	-	9,077
Community Outreach	51,034	-	51,034	35,834	-	35,834
STARS	20,492	-	20,492	25,907	-	25,907
GLAD	15,863	-	15,863	10,880	-	10,880
Total Program Services	724,345	-	724,345	692,628	-	692,628
SUPPORTING SERVICES						
Management and General	73,714	-	73,714	58,910	-	58,910
Fundraising	55,633	-	55,633	45,574	-	45,574
Total Supporting Expenses	129,347	-	129,347	104,484	-	104,484
TOTAL EXPENSES	853,692	-	853,692	797,112	-	797,112
CHANGE IN NET ASSETS	136,775	102,115	238,890	254,494	(88,595)	165,899
NET ASSETS AT BEGINNING OF YEAR	291,171	105,647	396,818	36,677	194,242	230,919
NET ASSETS AT END OF YEAR	\$ 427,946	\$ 207,762	\$ 635,708	\$ 291,171	\$ 105,647	\$ 396,818

See accompanying notes to financial statements.

ORION COMMUNITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services										Supporting Services			Total Expenses
	Bridge Case Management	Financial Assistance	Technology Resource Center	Community Outreach	STARS	GLAD	Total Program Services	Management and General	Fundraising	Total Support Service Expenses				
Salaries	\$ 226,720	\$ 31,524	\$ 1,098	\$ 18,722	\$ 5,049	\$ 5,049	\$ 288,162	\$ 41,967	\$ 36,455	\$ 78,422	\$ 366,584			
Payroll Taxes	18,198	2,530	88	1,503	405	405	23,129	3,368	2,926	6,294	29,423			
Employee Benefits	8,477	1,179	41	700	189	189	10,775	1,569	1,363	2,932	13,707			
Contract Hire	-	1,185	-	-	-	-	1,185	5,926	4,741	10,667	11,852			
Professional Services	22,963	22,963	4,593	13,778	4,593	4,593	73,483	13,778	4,593	18,371	91,854			
Program Expenses	4,522	228,129	1,237	8,733	2,776	1,265	246,662	-	-	-	246,662			
Rent/Facility Maintenance	27,830	5,060	2,530	2,530	5,060	2,530	45,540	2,530	2,530	5,060	50,600			
Utilities and Insurance	4,902	891	446	446	891	446	8,022	446	446	892	8,914			
Technology	558	167	112	112	56	-	1,005	56	56	112	1,117			
Office Supplies	3,932	874	874	874	262	175	6,991	437	1,311	1,748	8,739			
Business Expenses	6,061	6,061	1,211	3,636	1,211	1,211	19,391	3,637	1,212	4,849	24,240			
Total Functional Expenses	\$ 324,163	\$ 300,563	\$ 12,230	\$ 51,034	\$ 20,492	\$ 15,863	\$ 724,345	\$ 73,714	\$ 55,633	\$ 129,347	\$ 853,692			

See accompanying notes to financial statements.

ORION COMMUNITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services					Supporting Services			Total Expenses		
	Bridge Case Management	Community Emergency Fund	Technology Resource Center	Community Outreach	STARS	GLAD	Total Program Services	Management and General		Fundraising	Total Support Service Expenses
Salaries	\$ 197,463	\$ 23,389	\$ 3,391	\$ 10,995	\$ 13,373	\$ 4,754	\$ 253,365	\$ 43,940	\$ 33,774	\$ 77,714	\$ 331,079
Payroll Taxes	17,132	2,029	294	954	1,160	412	21,981	3,812	2,930	6,742	28,723
Employee Benefits	10,586	1,254	182	589	717	255	13,583	2,356	1,811	4,167	17,750
Contract Hire	3,847	456	66	214	261	93	4,937	856	658	1,514	6,451
Professional Services	3,500	1,500	100	200	200	100	5,600	1,000	1,055	2,055	7,655
Program Expenses	16,854	276,927	-	15,521	2,654	909	312,865	-	-	-	312,865
Rent/Facility Maintenance	27,879	5,069	2,534	2,534	5,069	2,534	45,619	2,534	2,534	5,068	50,687
Utilities and Insurance	5,735	1,043	521	521	1,043	521	9,384	521	521	1,042	10,426
Technology	566	170	113	113	57	-	1,019	57	57	114	1,133
Office Supplies	3,229	718	718	718	215	144	5,742	359	1,076	1,435	7,177
Business Expenses	9,267	2,317	1,158	3,475	1,158	1,158	18,533	3,475	1,158	4,633	23,166
Total Functional Expenses	\$ 296,058	\$ 314,872	\$ 9,077	\$ 35,834	\$ 25,907	\$ 10,880	\$ 692,628	\$ 58,910	\$ 45,574	\$ 104,484	\$ 797,112

See accompanying notes to financial statements.

**ORION COMMUNITIES, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2021 and 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 238,890	\$ 165,899
Unrealized (Gain)/Loss on Investments	(4,227)	-
Changes in:		
Prepaid Expenses	554	330
Current Promise to Give	-	5,833
Other Liabilities	<u>6,718</u>	<u>4,624</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>241,935</u>	<u>176,686</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Securities	<u>(43,564)</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	(43,564)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP Loan Forgiveness	<u>(57,851)</u>	<u>57,851</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(57,851)</u>	<u>57,851</u>
NET INCREASE IN CASH	140,520	234,537
CASH AT BEGINNING OF YEAR	<u>456,662</u>	<u>222,125</u>
CASH AT END OF YEAR	<u>\$ 597,182</u>	<u>\$ 456,662</u>

See accompanying notes to financial statements.

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Orion Communities, Inc. ("the Organization") is a nonprofit organization, which has been actively involved in the Northern Chester County and Montgomery County communities for over 40 years. Throughout its history, Orion has worked to improve the quality of life for those dealing with the hardships of poverty, illness, or disabilities and to help our neighbors move toward a brighter and more self-reliant future.

During the pandemic, the need for Orion's services has been even more essential. Fortunately, the model of "neighbors helping neighbors" continues to inspire folks to give. Orion has been able to respond to a four-fold increase in shelter/housing assistance requests, tripling of requests from individuals who are English language learners, as well as an increase in requests for assistance from families who have never had to ask for help before. Orion has been able to support households in crisis with supportive Bridge Case Management and doubling the amount of Community Emergency Fund distributions. The need exceeds the resources but Orion is uniquely experienced and supported to make a positive impact in our communities during this critical time.

Orion's mission has been served by offering the following programs:

Bridge Case Management

Bridge Case Management is the temporary or interim provision of short-term case management services to assist in a period of transition, crisis, or change. Orion's clients may be homeless, hungry, in danger of eviction or having their utilities turned off. In these situations, a permanent case manager may be unnecessary or difficult to engage on short notice. Additionally, there may be no agency that is suitable for, or available to take up the situation in question.

Financial Assistance

After an assessment of needs and resources, critical funds may assist those who are under-resourced. Orion has three pools of funds:

- Community Emergency Funds for emergent situations to assist with life's basic needs or to keep community members from catastrophic losses. This may include, but not limited to, housing, transportation, medical, nutrition, etc.
- PLAN allocates funds to assist with provisional lodging for individuals and families who are homeless to bridge them to permanent housing.
- Restricted Use Funds are monies received for limited and specific uses such as housing for veterans or to assist families with summer camp, etc.
- Financial Empowerment provides one on one money management coaching to build budgeting skills.

Technology Resource Center

Lack of access to technology resources can lead to a disparity gap in education, health, and finances. The Technology Resource Center provides free access to computers, internet, phones, fax machines, and copiers to facilitate in bridging the gap. There are staff and volunteers to assist with use.

Community Outreach

Community Outreach is an endeavor that assesses needs, develops strategies, and provides services that will fill the gaps to in need, at risk populations. Community Outreach also raises awareness and develops a collaborative approach to meet the needs of the most vulnerable in the community. The Code Blue Shelter, Affordable Housing Task Force and Phoenixville Bridges (Bridges Out of Poverty) are recent initiatives. Bridges Out of Poverty is helping our community develop a common understanding of local poverty to help create local solutions.

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

STARS (Sharing Technology Advances Reading Skills)

An academic gap exists between children from low income households and their peers. STARS is a literacy, digital literacy, STEM (Science, Technology, Engineering & Math) and computer/book giveaway program that engages children to improve academic performance. STARS also provides coaching to adults who have had little exposure to digital literacy. Improved competency provides opportunities to access benefits, jobs and to further education.

GLAD (Gutsy Ladies Achieving their Destiny)

This 'trauma informed' program for single mothers is designed to be responsive to the impact of trauma while helping participants expand their parenting skills, identify their passions and develop education plans to fulfill those passions. Built into the program are "learning to learn" components which include critical thinking and self-regulation skills.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August, 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the "Guide", net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restriction will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization currently has no perpetual donor restrictions.

Contributions and Revenue Recognition

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Contributed Services

The Organization receives significant contributed services per year in the form of volunteer hours, although no value is included. The value of these services does not meet the criteria for recognition in the financial statements.

In-kind Donations

Donated services are recognized as in-kind revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Donated professional services amounted to \$80,327 for the year ended December 31, 2021 and is reflected in the statement of activities as contribution revenue and in the statement of functional expenses as professional fees.

Other in-kind revenues recognized for the year ended December 31, 2021 include donated printing services in the amount of \$3,986. This amount is reported as contributions in-kind and supporting services on the accompanying statements of activities and statement of functional expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses. Net investment return is reported as an increase or (decrease) in net assets without donor restriction unless restricted by donors.

Concentration of Risk - Major Donors

Three contributors provided support totaling 30% of the Organization's revenues for the year ended December 31, 2021. Three contributors provided support totaling 35% of the Organization's revenues for the year ended December 31, 2020.

The Organization receives a large donation from a local charitable organization in the Phoenixville area that provides emergency housing assistance to people experiencing homelessness. Orion Communities, Inc. orchestrates the needed housing and the donor charitable organization disburses the funding needed for the emergency housing directly to Orion. Orion then provides the monetary assistance through its PLAN (Provisional Lodging Access Now) program.

Functional Expenses

The costs of providing program and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes	Time and effort
Employee benefits	Time and effort
Contract hire	Actual
Professional services	Program utilization
Rent/facility maintenance	Square footage
Utilities and insurance	Square footage
Technology	Program utilization
Office supplies	Program utilization
Business expenses	Program utilization

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Tax-Exempt Status

The Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization files annual information returns as required. In accordance with generally accepted accounting principles, the Organization accounts for uncertain tax positions relative to unrelated business income, if any, as required.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 28, 2022, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CERTIFICATE OF DEPOSIT BALANCES

The Organization maintained cash balances in six checking accounts and one money market account at five financial institutions during the year ended December 31, 2021. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a combined total of \$250,000 per institution. Cash in one of these institutions exceeded FDIC insured limits by \$24,232 as of December 31, 2021.

NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Unadjusted quoted market prices for identical assets in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset.

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES - continued

The following is a description of the valuation methodology used for assets measured at fair value.

Common stock, mutual funds, exchange traded funds, corporate bonds and U.S. government securities: valued at the closing price reported on the active market on which the individual securities are traded.

The following table presents the Organization's assets measured at fair value within the fair value hierarchy as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 44,850	\$ -	\$ -	\$ 44,850
Stocks - Equities	<u>2,943</u>	<u>-</u>	<u>-</u>	<u>2,943</u>
Total Assets at Fair Value	<u>\$ 47,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,793</u>

NOTE 4 - INVESTMENTS

Investments are comprised of the following as of December 31, 2021:

	<u>Cost</u>	<u>Market</u>
Mutual Funds	\$ 40,414	\$ 44,850
Stocks - Equities	<u>3,150</u>	<u>2,943</u>
	<u>\$ 43,564</u>	<u>\$ 47,793</u>

A summary of earnings on investments for the year ended December 31, 2021 are as follows:

Interest and Dividends	\$ 413
Unrealized Gains/(Losses), net	<u>4,228</u>
	<u>\$ 4,641</u>

NOTE 5 - LIQUIDITY

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets, at year-end	\$ 644,973
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(207,762)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 437,211</u>

In 2020, the Board approved establishing an operating reserve, beginning in 2021, not to exceed \$24,000 with funding from the general operating budget of \$2,000 per month.

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LINE OF CREDIT

The Organization has a \$20,000 variable rate nondisclosable revolving line of credit with Phoenixville Bank due on May 30, 2023. The balance on the line of credit on December 30, 2021 was \$0.

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN

The Organization applied for and received a Paycheck Protection Program ("PPP") loan under a new federal program designed to support small businesses during the COVID-19 pandemic. The PPP Loan program was part of the CARES Act, which was signed into law on March 27, 2020 and is being implemented by the SBA with cooperation from private banks. PPP loans may be fully or partially forgiven by application to the SBA if proceeds are expended based on federal guidelines. Management applied for the PPP loan to fund payroll and other allowable costs while the Organization responded to government restrictions on business operations and anticipated reduced revenues from the economic downturn associated with the pandemic. A loan in the amount of \$57,851 was received and deposited on April 9, 2020. Management applied for and subsequently received forgiveness from the SBA on April 30, 2021 releasing the Organization from liability. The proceeds from forgiveness are recognized as a contribution in the statement of activities for the year ended December 31, 2021.

NOTE 8 - LEASE COMMITMENTS

The Organization relocated and entered into a monthly lease commitment for office space commencing on March 15, 2016 and ending February 28, 2023, with an amendment to the lease to include rental of the lower level effective October 1, 2018. Monthly rent payments begin at \$2,400 (and \$1,030 for the lower level) and are subject to increase annually at a rate of three percent. In addition to the rent payments, a fixed operating charge for common area maintenance of \$350 is charged monthly.

Minimum lease payments are as follows for the years ended December 31:

	<u>Rent</u>	<u>CAM</u>
2022	\$ 47,728	\$ 4,200
2023	8,050	700
	<u>\$ 55,778</u>	<u>\$ 4,900</u>

Total rental expense, including common area maintenance, was \$49,345 and \$49,188 for the years ended December 31, 2021 and 2020, respectively.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Organization received \$70,840 and \$80,284 in contributions from Community Coalition during the years ended December 31, 2021 and 2020, respectively. Members of the Orion board served as board members of the Community Coalition in 2021 and 2020.

ORION COMMUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NET ASSETS

The Organization's net assets with donor restriction are subject to the following purpose restrictions:

Community Emergency Fund	\$ 68,000
FEP	9,971
GLAD	12,219
PLAN	30,000
STARS	24,648
Bridge Case Management	10,000
Steel Town Vets	2,323
Legacy Society	44,851
45th Anniversary	250
Flood Relief	3,000
Diversity, Equity & Inclusion	<u>2,500</u>
Total net assets with donor restriction	<u>\$ 207,762</u>

Net assets released from restriction by satisfying the restricted purposes for the year ended December 31, 2021, are as follows:

Flood Relief	\$ 2,000
By Date	10,000
Bridge Case Management	10,000
Community Emergency Fund	75,000
Summer Fund	5,000
GLAD	12,157
PLAN	104,771
STARS	14,653
Women and Children	<u>10,000</u>
Total net assets released from donor restriction	<u>\$ 243,581</u>

NOTE 11 - SPECIAL EVENTS

Special events generate revenue for the Organization as well as raise awareness about the Organization's mission. The Organization held several events during the year ended December 31, 2021, as follows:

	2021		2020	
	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue</u>	<u>Expenses</u>
Music for Everyone	\$ 52,913	\$ 10,646	\$ 82,346	\$ 6,045
Warmth for All	60	205	836	409
Run, Walk 'n Roll	5,766	3,052	3,747	4,353
Night of Music and Stories	24,565	8,530	11,050	4,266
Activities	5,141	295	-	1,298
	<u>\$ 88,445</u>	<u>\$ 22,728</u>	<u>\$ 97,979</u>	<u>\$ 16,371</u>