MOSE AND GARRISON SISKIN
MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

FINANCIAL REPORT

JUNE 30, 2020

C O N T E N T S

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

ROSTER OF THOSE CHARGED WITH GOVERNANCE
AND MANAGEMENT OFFICIALS
June 30, 2020

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Derek Bullard

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Independent Auditor's Report

To the Board of Directors
Mose and Garrison Siskin Memorial Foundation, Inc.
d/b/a Siskin Children's Institute
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Mose and Garrison Siskin Memorial Foundation, Inc. d/b/a Siskin Children's Institute (the Foundation, a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Foundation'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 Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mose and Garrison Siskin Memorial Foundation, Inc. d/b/a Siskin Children's Institute as of June 30, 2020 and 2019, 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.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Tennessee Department of Audit, *Audit Manual*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal and state awards 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 audits 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.

The introductory has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee
December 10, 2020

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 771,270	$ 1,311,282
Accounts receivable, less allowance for doubtful accounts of $47,968 and $31,166 in 2020 and 2019	341,502	167,990
Grants receivable	271,161	268,560
Contributions receivable	67,200	56,660
Contributions receivable from split-interest agreements	60,600	54,800
Investments	45,196,491	47,870,667
Cash surrender value of life insurance	204,139	186,520
Insurance annuities	852,900	907,600
Property and equipment, net	6,031,561	6,299,918
Prepaid expenses and other assets	13,614	24,905
Religious antiquities	95,496	95,496
Total assets	$53,905,934	$57,244,398
LIABILITIES		
Accounts payable and accrued expenses	$ 810,411	$ 521,434
Line of credit	178,720	-
Deferred income	1,125,483	4,500
Total liabilities	2,114,614	525,934
NET ASSETS		
Without Donor Restrictions	51,435,619	56,407,352
With Donor Restrictions	355,701	311,112
Total net assets	51,791,320	56,718,464
Total liabilities and net assets	$53,905,934	$57,244,398

The Notes to Financial Statements are an integral part of these statements.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Program service revenue:			
Early Learning Centers	$ 1,371,259	$ -	$ 1,371,259
Center for Developmental Pediatrics	215,000	-	215,000
Applied Behavioral Services	832,765	-	832,765
Grants	1,187,218	-	1,187,218
Patient services	864,560	-	864,560
Total program service revenue	4,470,802	-	4,470,802
Other support:			
Contributions	841,911	105,690	947,601
Special events	398,625	-	398,625
Changes in values of insurance annuities and split-interest agreements	(54,700)	5,800	(48,900)
Investment return, net of investment expenses	(1,090,206)	-	(1,090,206)
Miscellaneous income	76,771	-	76,771
Net assets released from restrictions	66,901	(66,901)	-
Total revenue and other support	4,710,104	44,589	4,754,693
Expenses:			
Program services:			
Early Learning Centers	2,812,641	-	2,812,641
Center for Developmental Pediatrics	2,521,730	-	2,521,730
Home and Community Based Early Intervention Program	1,145,413	-	1,145,413
Applied Behavioral Analysis	1,374,856	-	1,374,856
Total program expenses	7,854,640	-	7,854,640
Supporting services:			
Administration and development	1,197,712	-	1,197,712
Fundraising	629,485	-	629,485
Total supporting services	1,827,197	-	1,827,197
Total expenses	9,681,837	-	9,681,837
Change in net assets	(4,971,733)	44,589	(4,927,144)
Net assets, beginning of year	56,407,352	311,112	56,718,464
Net assets, end of year	$ 51,435,619	$ 355,701	$ 51,791,320

The Notes to Financial Statements are an integral part of this statement.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Program service revenue:			
Early Learning Centers	$ 1,733,749	$ -	$ 1,733,749
Center for Developmental Pediatrics	75,000	-	75,000
Applied Behavioral Analysis	143,501	-	143,501
Grants	1,187,959	-	1,187,959
Patient services	1,086,741	-	1,086,741
Total program service revenue	4,226,950	-	4,226,950
Other support:			
Contributions	296,372	147,784	444,156
Special events	624,201	-	624,201
Changes in values of insurance annuities and split-interest agreements	(80,100)	3,200	(76,900)
Investment return	1,178,306	-	1,178,306
Miscellaneous income	68,868	-	68,868
Net assets released from restrictions	98,855	(98,855)	-
Total revenue and other support	6,413,452	52,129	6,465,581
Expenses:			
Program services:			
Early Learning Centers	3,005,361	-	3,005,361
Center for Developmental Pediatrics	1,860,281	-	1,860,281
Home and Community Based Early Intervention Program	1,099,303	-	1,099,303
Applied Behavioral Analysis	187,128	-	187,128
Total program expenses	6,152,073	-	6,152,073
Supporting services:			
Administration and development	1,153,317	-	1,153,317
Fundraising	825,260	-	825,260
Total supporting services	1,978,577	-	1,978,577
Total expenses	8,130,650	-	8,130,650
Change in net assets	(1,717,198)	52,129	(1,665,069)
Net assets, beginning of year	58,124,550	258,983	58,383,533
Net assets, end of year	$ 56,407,352	$ 311,112	$ 56,718,464

The Notes to Financial Statements are an integral part of this statement.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services					Supporting Services			
	Early Learning Centers	Center for Developmental Pediatrics	Home and Community Based Early Intervention Program	Applied Behavioral Analysis	Total Program Expenses	Administration and Development	Fundraising	Total Suporting Services	Total
EXPENSES									
Salaries	$ 1,886,789	$ 1,711,045	$ 801,379	$ 1,003,966	$ 5,403,179	$ 787,056	234,335	$ 1,021,391	$ 6,424,570
Employee benefits	412,083	295,117	144,030	170,166	1,021,396	121,679	31,693	153,372	1,174,768
Total salaries and employee benefits	2,298,872	2,006,162	945,409	1,174,132	6,424,575	908,735	266,028	1,174,763	7,599,338
Contributed merchandise and services	-	-	-	-	-	-	62,347	62,347	62,347
Depreciation	164,664	49,820	9,451	17,405	241,340	29,597	10,823	40,420	281,760
Dues, subscriptions and printing	1,074	1,663	-	1,573	4,310	3,324	1,599	4,923	9,233
Insurance	28,943	21,970	432	3,091	54,436	31,739	1,329	33,068	87,504
Advertising	277	34,678	335	2,060	37,350	1,291	17,722	19,013	56,363
Legal and audit fees	-	-	-	-	-	53,314	-	53,314	53,314
Miscellaneous	1,291	11,589	2,566	19,085	34,531	30,730	577	31,307	65,838
Occupancy	157,106	99,915	33,377	33,010	323,408	33,412	8,026	41,438	364,846
Office	41,844	55,383	48,336	39,858	185,421	54,490	27,189	81,679	267,100
Postage	81	1,808	8	3	1,900	4,628	320	4,948	6,848
Professional fees	20,443	191,332	33,621	9,659	255,055	25,636	2,844	28,480	283,535
Program supplies	91,839	27,481	314	3,885	123,519	-	-	-	123,519
Property taxes	-	-	-	-	-	15,181	-	15,181	15,181
Special events	-	-	-	-	-	-	229,799	229,799	229,799
Staff training	5,845	10,698	2,119	13,080	31,742	1,594	137	1,731	33,473
Travel	362	9,231	69,445	58,015	137,053	4,041	745	4,786	141,839
Total expenses	$ 2,812,641	$ 2,521,730	$ 1,145,413	$ 1,374,856	$ 7,854,640	$ 1,197,712	$ 629,485	$ 1,827,197	$ 9,681,837

The Notes to Financial Statements are an integral part of this statement.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services					Supporting Services			
	Early Learning Centers	Center for Developmental Pediatrics	Home and Community Based Early Intervention Program	Applied Behavioral Analysis	Total Program Expenses	Administration and Development	Fundraising	Total Suporting Services	Total
EXPENSES									
Salaries	$ 1,922,558	$ 1,156,609	$ 738,355	$ 128,558	$ 3,946,080	$ 759,437	$ 239,564	$ 999,001	$ 4,945,081
Employee benefits	460,678	252,742	171,881	21,441	906,742	132,832	32,533	165,365	1,072,107
Total salaries and employee benefits	2,383,236	1,409,351	910,236	149,999	4,852,822	892,269	272,097	1,164,366	6,017,188
Contributed merchandise and services	-	-	-	-	-	-	150,857	150,857	150,857
Depreciation	185,976	36,450	3,637	-	226,063	41,193	10,237	51,430	277,493
Dues, subscriptions and printing	114	4,316	810	2,407	7,647	4,027	1,387	5,414	13,061
Insurance	28,514	15,612	419	-	44,545	21,025	1,677	22,702	67,247
Advertising	-	8,729	102	461	9,292	7,990	28,483	36,473	45,765
Legal and audit fees	-	-	-	-	-	41,310	-	41,310	41,310
Miscellaneous	260	5,757	874	2,814	9,705	37,275	877	38,152	47,857
Occupancy	183,239	69,084	22,177	1,571	276,071	36,684	12,668	49,352	325,423
Office	47,362	33,922	17,665	19,537	118,486	27,229	33,060	60,289	178,775
Postage	70	4,023	82	-	4,175	3,799	463	4,262	8,437
Professional fees	43,638	230,521	24,414	686	299,259	18,344	5,059	23,403	322,662
Program supplies	121,602	27,498	754	841	150,695	-	-	-	150,695
Property taxes	-	-	-	-	-	14,676	-	14,676	14,676
Special events	-	-	-	-	-	-	304,340	304,340	304,340
Staff training	10,648	7,321	20,110	665	38,744	7,114	3,685	10,799	49,543
Travel	702	7,697	98,023	8,147	114,569	382	370	752	115,321
Total expenses	$ 3,005,361	$ 1,860,281	$ 1,099,303	$ 187,128	$ 6,152,073	$ 1,153,317	$ 825,260	$ 1,978,577	$ 8,130,650

The Notes to Financial Statements are an integral part of this statement.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a/ SISKIN CHILDREN'S INSTITUTE

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (4,927,144)	$ (1,665,069)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	281,760	277,493
Bad debt expense	16,675	2,815
Increase in cash surrender value of life insurance	(17,619)	(36,741)
Change in value of insurance annuities and split-interest agreements	48,900	76,900
Net realized and unrealized losses (gains) on investments	1,678,723	(223,618)
Change in operating assets and liabilities:		
Accounts receivable	(190,187)	(95,413)
Grants receivable	(2,601)	(86,280)
Contributions receivable	(10,540)	4,640
Prepaid expenses and other assets	11,291	1,638
Accounts payable and accrued expenses	288,977	(78,265)
Deferred income	1,120,983	(25,550)
Net cash used in operating activities	(1,700,782)	(1,847,450)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(13,403)	(71,763)
Purchases of investments	(3,142,007)	(2,644,516)
Proceeds from sales of investments	4,137,460	4,608,702
Net cash provided by investing activities	982,050	1,892,423
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from line of credit	178,720	-
Net cash provided by financing activities	178,720	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(540,012)	44,973
CASH AND CASH EQUIVALENTS, beginning of year	1,311,282	1,266,309
CASH AND CASH EQUIVALENTS, end of year	$ 771,270	$ 1,311,282

The Notes to Financial Statements are an integral part of these statements.

Note 1. Summary of Significant Accounting Policies

The accounting and reporting policies of Mose and Garrison Siskin Memorial Foundation, Inc. d/b/a Siskin Children's Institute (the Foundation) conform with United States generally accepted accounting principles (GAAP). The Financial Accounting Standards Board (FASB) has adopted the FASB Accounting Standards Codification (ASC) as the single source of authoritative nongovernmental GAAP.

The policies that materially affect financial position and results of operations are summarized as follows:

Foundation:

The Foundation was incorporated in Tennessee in 1977 as a nonprofit corporation. The Foundation provides educational and developmental services to children who are disabled and other services as authorized in its charter.

Basis of presentation:

To ensure observances of limitations and restrictions placed on the use of resources available to the Foundation, resources are classified for accounting and financial reporting purposes into categories established according to their nature and purpose in the two categories as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the Foundation and its purposes.

Net assets with donor restrictions – 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, that is, when the stipulated time has passed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue is reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gain and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions in net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Note 1. Summary of Significant Accounting Policies (continued)

Revenue recognition:

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*, permitting the deferral of the effective date of ASU 2014-09 to annual reporting periods beginning after December 15, 2019. The Foundation has elected to adopt ASU 2020-05. The Foundation is currently in the process of evaluating the impact of adoption of this guidance on the financial statements and does not anticipate it to have a significant impact on the timing of revenue recognition.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and establishes standards for characterizing grants and similar contracts with resource providers as contributions (nonreciprocal) subject to ASC Topic 958, or as exchange transactions (reciprocal) subject to ASC Topic 606.

For the year ending June 30, 2020, the Foundation adopted ASU 2018-08. The adoption of ASU 2018-08 did not have an impact on the timing of the Foundation's revenue recognition.

Contributions are recorded as revenue in the period received or upon the receipt of an unconditional promise to give. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of appreciated assets are recorded at the estimated fair value at the date of receipt by the Foundation.

The Foundation recognizes revenues on cost reimbursement grants as qualifying expenses are incurred. The Foundation recognizes revenues on fee for service grants at the time the service is rendered to the patient. Federal and state grant funds received as advances are recorded as deferred revenue in the Foundation's statements of financial position.

Fees for patient services are reported based upon established billing rates less allowances for contractual adjustments and bad debts. Payment of these fees is the responsibility of patients, third-party payors, and others. The Foundation has agreements with third-party payors that provide for payments at amounts that may be different from its established rates.

The Foundation uses the allowance method to determine uncollectible contributions receivable. The allowance is based on historical experience and management's analysis of specific promises made. Because the majority of the contributors reside in and around Chattanooga, Tennessee, collection of these receivables is substantially dependent upon the economic stability of the Chattanooga area.

Note 1. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents:

The Foundation considers all cash and highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an adjustment to a valuation allowance based on its assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental health care coverage, and other collection indicators. Management's assessment is based primarily on a detailed review of historical collections at the Foundation's facilities. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments:

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Fair values of marketable securities with readily determinable fair values are based on quoted market prices. Fair values of nontraditional investments are based on information provided by the administrators of the underlying funds.

Concentrations of credit risk:

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash equivalents. The Foundation places its cash equivalents with financial institutions and limits the amount of credit exposure to any one financial institution. From time to time, the Foundation's cash balances exceed federal depository insurance coverage and management considers this to be a normal business risk. The Foundation has not experienced any losses on its cash equivalents. The Foundation's investments do not represent significant concentrations of credit risk inasmuch of the Foundation's investments are diversified among many issuers.

Property and equipment:

Property and equipment are depreciated over the estimated useful lives of the respective classes of assets using the straight-line method of depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Additions and improvements that significantly extend the lives of assets are capitalized at cost.

Note 1. Summary of Significant Accounting Policies (continued)

Contributed merchandise and services:

Contributed merchandise and services are recognized as contributions at their estimated fair value at the date of receipt. The Foundation receives merchandise and advertising services for various fundraising and special events. Contributed merchandise and services recognized as revenue totaled $62,347 and $150,857 for the years ended June 30, 2020 and 2019, respectively, with a like amount recognized as fundraising expenses.

Functional expenses:

The costs of providing various programs and other activities for the Foundation have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income tax status:

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose would be subject to taxation as unrelated business income.

The Foundation accounts for income taxes in accordance with income tax accounting guidance in ASC Topic 740, *Income Taxes*. The Foundation follows the accounting guidance for recognizing and measuring uncertain tax positions. The Foundation follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Foundation's non-taxable status would not have a material effect on the Foundation's financial statements. The Foundation is subject to routine audits by taxing jurisdiction; however, there are currently no audits for tax periods in progress.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash surrender value of life insurance:

The Foundation has been named beneficiary and is the owner of various life insurance policies. The Board of Directors has adopted a policy of borrowing against these policies and investing the proceeds. At June 30, 2020 and 2019, borrowings against these policies totaled $22,052 and $26,440, respectively.

Note 1. Summary of Significant Accounting Policies (continued)

Advertising costs:

The Foundation expenses all advertising costs as incurred. Advertising costs were $56,363 and $45,765 for the years ended June 20, 2020 and 2019, respectively.

Religious antiquities:

The Foundation maintains for public display a collection of religious antiquities. The collection is recorded at cost.

Subsequent events:

The Foundation has evaluated all transactions, events, and circumstances for consideration or disclosure through December 10, 2020, the date these financial statements were available to be issued, and has reflected or disclosed those items within financial statements and related footnotes as deemed appropriate.

Note 2. Liquidity and Availability

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

	2020	2019
Cash and cash equivalents	$ 543,369	$1,055,275
Accounts receivable	341,502	167,990
Grants receivable	271,161	268,560
Contributions receivable	-	56,355
Cash surrender value of life insurance	204,139	186,520
Insurance annuities	212,130	212,130
Investments	-	12,713,015
	$1,572,301	$14,659,845

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In general, the Foundation maintains sufficient assets on hand to meet 6 months of normal operating expenses. Although investments are without donor restrictions, investments do not include amounts invested in limited partnerships as these investments are subject to withdrawal restrictions and any amounts that are pledged. The Foundation also has a line credit as more fully described in Note 8.

Note 3. Investments

A summary of investments at June 30, 2020 and 2019 is as follows:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Common stocks	$ 4,540,767	$ 5,265,566	$ 4,258,625	$ 5,560,963
Mutual funds	9,097,808	9,579,933	7,211,997	7,152,052
Limited partnerships	14,803,590	30,350,992	18,176,853	35,157,652
Total	$28,442,165	$45,196,491	$29,647,475	$47,870,667

Investments recorded at $30,350,992 and $35,157,652 at June 30, 2020 and 2019, respectively, are based on valuations for which a readily determinable fair value does not exist. These investments are not listed on national exchanges or over-the-counter markets, and quoted market prices are not available. These investments include limited partnerships. Management estimates the fair values of these investments based on a review of all available information provided by administrators of the underlying funds. These fair value estimates are evaluated on a regular basis by management and are susceptible to revisions as more information becomes available. Because of these factors, it is reasonably possible that the estimated fair values of these investments may change materially in the near term.

At June 30, 2020, investments with a carrying value of $14,845,499 were pledged as collateral for the line of credit described in Note 8. No investments were pledged at June 30, 2019.

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2020 and 2019:

	2020	2019
Dividends and interest	$ 667,626	$1,017,512
Life insurance and annuity income	242,126	249,192
Net realized and unrealized gains	(1,678,723)	223,618
Investment expenses	(321,235)	(312,016)
Total investment return	$(1,090,206)	$1,178,306

Note 4. Contributions Receivable

Contributions receivable were $67,200 and $56,660 at June 30, 2020 and 2019, respectively, and are due within one year. Management believes that all contributions receivable are fully collectible at June 30, 2020 and 2019, and therefore there are no allowances for uncollectible contributions receivable.

Note 5. Contributions Receivable From Split-Interest Agreement

The Foundation is the beneficiary of one charitable remainder trust for which any remaining assets will be distributed to the Foundation at the end of the trust's term. The value of the contribution receivable is recorded at the estimated future cash flows based on the life expectancy of the donor and using a discount rate of 1.90% and 1.98% at June 30, 2020 and 2019, respectively. Changes in the estimated value of the split-interest agreement are included in the accompanying statements of activities and were $5,800 and $3,200 for the years ended June 30, 2020 and 2019, respectively.

Note 6. Insurance Annuities

As part of a fixed-income investment strategy, the Foundation purchased single-premium income annuity contracts with a total cost of $1,750,000 for the lives of two individuals and life insurance policies on those same two individuals with face values of $1,750,000. Under the terms of the contracts, the Foundation is to receive income during the lives of the annuitants. The values of the annuities are recorded at the estimated future cash flows to be received by the Foundation based on the life expectancies of the annuitants and using a discount rate of 3.93% on the $750,000 contract and 7.80% on the $1,000,000 contract.

The Foundation recognized investment income on annuity contracts of $212,130 for the years ended June 30, 2020 and 2019, respectively. Changes in the estimated value of annuity contracts are included in the accompanying statements of activities and were of ($54,700) and ($80,100) for the years ended June 30, 2020 and 2019, respectively.

Note 7. Property and Equipment

Property and equipment at June 30, 2020 and 2019, consists of the following:

	2020	2019
Land	$ 900,000	$ 900,000
Buildings and improvements	8,770,130	8,770,130
Equipment, furniture and fixtures	2,040,275	2,026,872
	11,710,405	11,697,002
Accumulated depreciation	(5,678,844)	(5,397,084)
Total property and equipment, net	$ 6,031,561	$ 6,299,918

Depreciation expense for the years ended June 30, 2020 and 2019, was $281,760 and $277,493, respectively.

Note 8. Line of Credit

The Foundation has a $5,000,000 line of credit with a local bank. The line of credit bears interest at one month London Interbank Offered Rate plus 1.25 points. The line of credit is secured by certain investment securities and matures June 9, 2022. At June 30, 2020 and 2019, the outstanding balance of the loan of credit was $178,720 and $0, respectively.

Note 9. Employee Benefit Plan

The Foundation has established a deferred salary reduction plan under Section 403(b) of the Internal Revenue Code covering substantially all employees who have completed at least one year of service. The Foundation may make a discretionary contribution to eligible participants. The Foundation made discretionary contributions of $43,426 for the year ended June 30, 2020. The Foundation made discretionary contributions of $45,258 for the year ended June 30, 2019

Note 10. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes 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 under ASC Topic 820 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, and 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Common stocks: Valued at the closing price reported on the active markets on which the individual securities are traded.

Note 10. Fair Value Measurements (continued)

Mutual funds: Valued at the net asset value of shares held by the Foundation at year-end.

Limited partnerships: Valued at the net asset value (NAV) of units of a limited partnership. The NAV, as provided by the administrators of the underlying funds, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the investments held less its liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes 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 tables below present the recorded amount of assets measured at fair value on a recurring basis at June 30, 2020 and 2019:

	Balance as of June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Common stocks:				
Industrials	$ 939,336	$ 939,336	$ -	$ -
Consumer	572,296	572,296	-	-
Financials	1,363,324	1,363,324	-	-
Technology	1,300,769	1,300,769	-	-
Other	1,089,841	1,089,841	-	-
Total common stocks	5,265,566	5,265,566	-	-
Mutual funds:				
Stock funds	6,322,328	6,322,328	-	-
Bond funds	3,257,605	3,257,605	-	-
Total mutual funds	9,579,933	9,579,933	-	-
Total assets in fair value hierarchy	14,845,499	14,845,499	-	-
Investments measured at net asset value (1) (2)	30,350,992	-	-	-
Total assets	$45,196,491	$14,845,498	$ -	$ -

Note 10. Fair Value Measurements (continued)

	Balance as of June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Common stocks:				
Industrials	$ 1,000,290	$ 1,000,290	$ -	$ -
Consumer	916,743	916,743	-	-
Financials	1,492,136	1,492,136	-	-
Technology	1,187,467	1,187,467	-	-
Other	964,327	964,327	-	-
Total common stocks	5,560,963	5,560,963	-	-
Mutual funds:				
Stock funds	6,386,158	6,386,158	-	-
Bond funds	765,894	765,894	-	-
Total mutual funds	7,152,052	7,152,052	-	-
Total assets in fair value hierarchy	12,713,015	12,713,015	-	-
Investments measured at net asset value (1) (2)	35,157,652	-	-	-
Total assets	$47,870,667	$12,713,015	$ -	$ -

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the period. For the years ended June 30, 2020 and 2019, there were no transfers in or out of Levels 1, 2 or 3.

(1) In accordance with Subtopic 820-10, the limited partnerships that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

(2) Limited partnership investments have investment strategies which include investments in both long and short common stocks, various private equity funds of funds, diversified portfolios of equity securities of companies ordinarily located in any country other the United States and Canada, and real estate funds that invest in U.S. commercial real estate properties. These investments also include certain restrictions on the Foundation's contributed capital. These restrictions include withdrawal restrictions. Withdrawal restrictions range from monthly to quarterly withdrawals with up to 45 days' notice. At June 30, 2020, the Foundation had outstanding commitments of $3,441,824.

Note 11. Endowments

The Foundation has one endowment established to provide direct support for children with disabilities and/or families who are being served by one the Foundation's programs. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (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.

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

(1) The duration and preservation of the fund.

(2) The purposes of the Foundation and the donor-restricted endowment fund.

(3) General economic conditions.

(4) The possible effect of inflation and deflation.

(5) The expected total return from income and the appreciation of investments.

(6) Other resources of the Foundation.

(7) The investment policies of the Foundation.

At June 30, 2020 and 2019, the Foundation's donor restricted endowment fund consists of contributions totaling $87,435 and is included in cash and cash equivalents.

Note 12. Lease Commitments

The Foundation leases office equipment under noncancelable operating lease agreements. The leases expire at various dates through August 2021. The Foundation also leases an office space. This lease expires December 31, 2023. Rent expense totaled $82,151 and $43,475 for the years ended June 30, 2020 and 2019, respectively. Future minimum rental payments required under the operating leases are as follows:

Year Ending June 30,	
2021	$94,601
2022	82,142
2023	79,650
2024	31,575

Note 13. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose:		
Assistive Technology	$ 43,160	$ 45,053
Subsequent years' activities	127,800	55,105
Pediatric Center – Family Counseling Program	-	29,081
Pediatric Behavioral & Developmental Clinic	-	7,293
Other	97,306	87,145
Total subject to expenditure for specified purpose	268,266	223,677
Endowment	87,435	87,435
Total net assets with donor restrictions	$355,701	$311,112

Net assets with donor restrictions are included in cash and cash equivalents, contributions receivable from spilt-interest agreements and contributions receivable.

During the years ended June 30, 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by donors as follows:

	2020	2019
Subsequent years' activities	$ 305	$11,300
Pediatric Center – Family Counseling Program	36,374	36,382
Other	30,222	51,173
	$66,901	$98,855

Note 14. Affiliation Agreements

The Foundation entered into an affiliation agreement (Agreement One) with Erlanger Health Systems (Erlanger) to develop and manage the Foundation's Center for Developmental Pediatrics (the Clinic). Agreement One expires June 30, 2023. Agreement One provides that the Foundation will have all responsibility for the management and operation of the Clinic, and the Foundation will receive an annual payment of $200,000 in 2021 and $75,000 in 2022 and $30,000 in 2023 from Erlanger to support the mission of the Clinic for pediatric care and the developmental behavioral residency training program for the University of Tennessee College of Medicine at Chattanooga (University).

The Foundation also entered into an affiliation agreement (Agreement Two) with the University whereby the Clinic will provide training opportunities for the University's pediatric residents and medical students. The University will employ the Clinic's Medical Director/Sr. Developmental Pediatrician and up to two additional Developmental Pediatricians as faculty members, and the Clinic will reimburse the University for all salary and benefit costs incurred under Agreement Two. The amounts incurred by the Foundation to the University under Agreement Two totaled $197,661 and $113,217 for the years ended June 30, 2020 and 2019, respectively.

Note 15. Coronavirus COVID-19 Pandemic

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced, which has and is continuing to spread throughout the world. In March of 2020, the World Health Organization declared the outbreak a pandemic. The extent to which COVID-19 impacts the Foundation's operations, results of operations, liquidity and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, severity and scope of the outbreak, and the actions taken to contain its impact, as well as actions taken to limit the resulting economic impact, among others. The health and safety of customers and employees of the Foundation is of the utmost importance. The Foundation has taken, and will continue to take, precautionary measures in accordance with the guidelines of the Centers for Disease Control and other federal, state and local authorities.

Due to the uncertainty of COVID-19, the Foundation applied for and received funding through the Payroll Protection Program (the Program) which was established by the Coronavirus Aid, Relief, and Economic Security Act signed into law on March 27, 2020. The Program provides small businesses with funding to pay payroll costs, including employee benefits, interest on mortgages, rent, and utilities. Proceeds through the Program are eligible for forgiveness subject to certain guidelines issued by the Small Business Administration. The Foundation received proceeds of $1,125,483, included in deferred income in the statements of financial position, and expects substantially all amounts to qualify for forgiveness. Any amounts not forgiven will be due in monthly installments, including interest at 1 percent, through maturity of April 14, 2022.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	(Accrued) Deferred Grant Revenue June 30, 2019	Grant Revenue Received	Expenditures	(Accrued) Deferred Grant Revenue June 30, 2020
FEDERAL GRANTS						
Passed through Tennessee Department of Education:						
Special Education - Grants for Infants and Families	84.181A	33195-00117	$ (159,255)	$ 396,556	$ 271,510	$ (34,209)
Passed through Tennessee Department of Human Services						
Child and Adult Care Food Program	10.558	03-47-64115-00-9	-	37,164	37,164	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			(159,255)	433,720	308,674	(34,209)
STATE AWARDS						
Tennessee Department of Education:						
Special Education - Grants for Infants and Families	N/A	33195-00117	(109,305)	750,897	878,544	(236,952)
TOTAL EXPENDITURES OF STATE AWARDS			(109,305)	750,897	878,544	(236,952)
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			$ (268,560)	$ 1,184,617	$ 1,187,218	$ (271,161)

The Notes to Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

MOSE AND GARRISON SISKIN MEMORIAL FOUNDATION, INC.
d/b/a SISKIN CHILDREN'S INSTITUTE

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Foundation under programs of federal and state governments for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Tennessee Department of Audit, *Audit Manual*. Because the schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Foundation.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3. Indirect Cost Rate

The Foundation has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4. Payments to Subrecipients

There were no payments made to subrecipients during the year ended June 30, 2020.

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Internal Control Over Financial Reporting

and on Compliance and Other Matters Based on an Audit of Financial Statements

Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
Mose and Garrison Siskin Memorial Foundation, Inc.
d/b/a Siskin Children's Institute
Chattanooga, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mose and Garrison Siskin Memorial Foundation, Inc. d/b/a Siskin Children's Institute (the Foundation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee
December 10, 2020

SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

None.