

**CATTARAUGUS REGION
COMMUNITY FOUNDATION**

**REPORT ON AUDITED
FINANCIAL STATEMENTS**

**YEARS ENDED
DECEMBER 31, 2020 AND 2019**

CATTARAUGUS REGION COMMUNITY FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Cash Flows	4
Notes to Financial Statements	5-11

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cattaraugus Region Community Foundation
Olean, New York

We have audited the accompanying financial statements of **Cattaraugus Region Community Foundation**, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities 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. Those standards require that we plan and perform the audits 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.

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 **Cattaraugus Region Community Foundation** as of December 31, 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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
May 17, 2021

CATTARAUGUS REGION COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION

Page 2

As of December 31,

	2020	2019
Assets		
Current		
Cash and cash equivalents	\$ 583,926	\$ 532,651
Current portion of pledge receivables	3,000	6,377
Prepaid expense	4,208	5,146
	591,134	544,174
Investments	25,359,038	22,792,512
Property and equipment, net	592	1,167
	\$ 25,950,764	\$ 23,337,853
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 9,807	\$ 8,126
Paycheck Protection Program loan	46,460	--
	56,267	8,126
Funds held for Agencies	3,951,118	3,465,689
	4,007,385	3,473,815
Net assets without donor restrictions		
Endowment	19,356,736	17,551,277
Non-endowed	1,267,264	1,093,861
Operations/administration	1,319,379	1,218,900
	21,943,379	19,864,038
	\$ 25,950,764	\$ 23,337,853

**CATTARAUGUS REGION COMMUNITY FOUNDATION
STATEMENTS OF ACTIVITIES**

Page 3

Years ended December 31,	2020	2019
Support and Revenue		
Gifts, donations and other revenue	\$ 1,511,216	\$ 1,744,683
Unrealized gains	1,660,912	1,672,877
Realized gains (losses) on sale of investments	(97,923)	609,606
Interest and dividends, net of fees	479,898	659,348
Administrative fees	46,426	44,228
Total support and revenue	3,600,529	4,730,742
Expenses		
Program service	1,254,709	1,640,671
Management and general	229,950	226,171
Fundraising	36,529	34,931
Total expenses	1,521,188	1,901,773
Change in net assets without donor restrictions	2,079,341	2,828,969
Net assets without donor restrictions, at beginning of year	19,864,038	17,008,268
Transfer of funds from agency to net assets	- -	26,801
Net assets without donor restrictions, at end of year	\$ 21,943,379	\$ 19,864,038

See accompanying independent auditor's report and notes to financial statements.

CATTARAUGUS REGION COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS

Page 4

Years ended December 31,	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 2,079,341	\$ 2,828,969
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	575	575
Unrealized gains on investments	(1,660,912)	(1,672,877)
Realized gains (losses) on investments	97,923	(609,606)
(Increase) decrease in:		
Pledge receivables	3,377	(5,377)
Prepaid expense	938	11,266
Increase (decrease) in:		
Funds held for Agencies	485,429	432,091
Accounts payable and accrued expenses	1,681	(2,343)
Net cash provided by operating activities	1,008,352	982,698
Cash flows from investing activities		
Sale of investments	7,347,483	15,128,894
Purchase of investments, including reinvested dividends	(8,351,020)	(16,835,693)
Net cash used in investing activities	(1,003,537)	(1,706,799)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	46,460	--
Net cash provided by financing activities	46,460	--
Net change in cash	51,275	(724,101)
Cash and cash equivalents, at beginning of year	532,651	1,256,752
Cash and cash equivalents, at end of year	\$ 583,926	\$ 532,651

See accompanying independent auditor's report and notes to financial statements.

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Page 5

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Nature of Operations

Cattaraugus Region Community Foundation (the Foundation), an affiliated organization of the Greater Olean Area Chamber of Commerce, was formed on September 20, 1994. The Foundation was formed to solicit, receive, and maintain endowment funds for the benefit of charitable endeavors in the greater Olean, New York area. In addition, the organization is exempt from New York State income tax. On March 1, 2006, the Foundation filed an Assumed Name Certificate and began conducting business as **Cattaraugus Region Community Foundation**.

Basis of Accounting

The financial statements of **Cattaraugus Region Community Foundation** have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Topic 958, *Not-for-Profit Entities*. Under this topic, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Foundation does not have any assets that would be considered net assets with donor restrictions.

Variance Power

Generally accepted accounting principles provide that if the governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The bylaws of the Foundation include a variance power provision giving the Board of Directors the power to vary the use of funds if the stated purpose of a contribution becomes no longer applicable and therefore, incapable of fulfillment. Based on this provision, all contributions received by the Foundation, except for contributions to Agency Funds as described in Note 5, are reported as revenues without donor restrictions. Accordingly, the Foundation's financial statements classify substantially all funds, including the corpus of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment record keeping the portion that is held as endowment from the funds that are currently available for grants.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current presentation.

Fund Accounting

In order to account for assets, liabilities, revenues, and expenditures directly related to certain activities, separate funds are used by the Foundation.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES
(CONTINUED)

Contributions

Gifts of cash and other assets received are reported as revenue and net assets without donor restrictions. All contributions are recorded at fair value when the Foundation becomes aware of them. It is the Foundation's policy to liquidate gifts of stocks and securities as soon as possible. Any gain or loss on liquidation is allocated to the fund that received the donation.

Gifts of land, buildings, equipment and other long-lived assets are also reported as revenues and net assets without donor restrictions. They are reported at estimated fair value and capitalized, with depreciation being taken over their estimated useful lives.

Donated Services

Donated services are recognized as contributions in accordance with Financial Accounting Standards Board Topic 958-605, *Not-for-Profit Entities – Revenue Recognition - Contributed Services*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation does not recognize any donated services, but many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and various committee assignments.

Grants

Grants are recorded as expenses of net assets without donor restrictions when approved by the Board of Directors.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all cash in operating bank accounts, cash on hand and cash in money market accounts and certificates of deposit to be cash and cash equivalents.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$8,271 and \$10,220 for the years ended December 31, 2020 and 2019, respectively.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Net Assets Without Donor Restrictions

Net assets without donor restrictions of the Foundation are segregated based on the type of fund the donor agrees to and are defined on the next page as:

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Net Assets Without Donor Restrictions (continued)

Endowed Fund – An endowed fund is expected to last in perpetuity. The Foundation requires a deposit of \$5,000 within three years of the start of the fund and it must have a balance of at least \$5,000 in order to issue grants.

Non-Endowed Fund – A non-endowed fund is not expected to last in perpetuity and is created with the intent of distributing the entire balance in a relatively short period of time.

Operations/administration – Net assets for the operation/administration of the Foundation which includes the Board restricted operating endowment. The Board can remove the restriction on this endowment fund at any time.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Office equipment and furnishings	\$ 41,022	\$ 41,022
Less accumulated depreciation	(40,430)	(39,855)
	<u>\$ 592</u>	<u>\$ 1,167</u>

Depreciation expense amounted to \$575 for both years ended December 31, 2020 and 2019, respectively.

NOTE 3 – PLEDGE RECEIVABLES

As of December 31, 2020 and 2019, the Foundation had pledge receivables outstanding in the amount of \$3,000 and \$6,377, respectively. Management expects these pledge receivables to be collected in full during 2021.

NOTE 4 - INVESTMENTS

The Foundation maintains its investments in one Financial Institution located in Olean, New York. Investments are presented in the financial statements in the aggregate at fair market value.

As of December 31:

	<u>2020</u>	<u>2019</u>
Morgan Stanley Wealth Management Portfolio	\$ 25,359,038	\$ 22,792,512

Sales of investments resulted in net realized gains (losses) of (\$103,449) and \$609,606 for the years ended December 31, 2020 and 2019, respectively. For purposes of determining the gain or loss on a sale, the cost of securities sold is based on the first in first out (FIFO) cost method for mutual funds and the specific identification method for all other investments. The fair values for investments are based primarily on quoted market prices.

NOTE 4 – INVESTMENTS (CONTINUED)

Return on investments is as follows for the years ended:

	<u>2020</u>	<u>2019</u>
Realized gains (losses)	\$ (97,923)	\$ 609,606
Unrealized gains	1,660,912	1,672,877
Interest and dividends, net of fees	479,898	659,348
Return on investment	<u>\$ 2,042,887</u>	<u>\$ 2,941,831</u>

As of December 31, 2020 there were 13 funds, including agency funds, whose combined market value of \$209,000 was below their historic cost value of \$241,000 totaling approximately \$32,000.

As of December 31, 2019, there were 17 funds whose combined market value of \$344,000 was below their historic cost value of \$393,000 totaling approximately \$49,000.

NOTE 5 - FUNDS HELD FOR AGENCIES

The Foundation adopted the Financial Accounting Standards Board Topic 958-605, *Not-for-Profit Entities – Revenue Recognition - Transfers of Assets to Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others*. This Topic establishes standards for transactions in which the Foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both, to a not-for-profit organization (NPO) that is specified by the donor. This Topic specifically requires that if the donor is a NPO that established a fund at the Foundation using its own funds and for its own benefit, the Foundation must account for such assets as a liability. The Foundation refers to these as Agency Funds.

The Foundation maintains variance power and legal ownership of Agency Funds and as such continues to report the funds as assets of the Foundation. However, in accordance with the Topic, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPO.

All financial activity related to those agency funds is recorded as adjustments to the funds held for agencies liability on the statements of financial position and is omitted from the statements of activities.

As of December 31, 2020, the Foundation has 98 Agency type funds. The total amount held for these funds as of December 31, 2020 and 2019 was \$3,951,118 and \$3,465,689, respectively.

The Foundation has also established funds to record gifts directly from individuals and third parties for the benefit of specific Agency Funds. In accordance with FASB Topic 958-605-25, these funds are segregated and reported separately as net assets on the Foundation's financial statements.

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 - FUNDS HELD FOR AGENCIES (CONTINUED)

The change in the funds held for agencies consists of the following for the years ended December 31:

	2020	2019
Additions:		
Additions to funds held for agencies	\$ 410,510	\$ 136,577
Unrealized gain	276,620	300,064
Realized gain (loss)	(17,299)	100,538
Interest & dividends, net	84,322	145,253
Total additions	754,153	682,432
Expenditures:		
Grants to others	222,298	206,113
Administrative fees	46,426	44,228
Total expenditures	268,724	250,341
Net change:	\$ 485,429	\$ 432,091

NOTE 6 – PAYCHECK PROTECTION PROGRAM

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans to provide relief to organizations experiencing temporary loss of revenue due to COVID-19.

In April 2020, the Foundation obtained a PPP loan for \$46,460, which is included in the Foundation's statement of financial position as of December 31, 2020. The note matures in April 2022 and bears interest at a fixed annual rate of 1%. The Foundation believes it used all of the proceeds from the note for qualifying expenses and received approval from the Small Business Administration (SBA) for the loan to be forgiven on February 22, 2021. The Foundation will recognize a gain on forgiveness of the loan in accordance with ASC 470, during the 2021 year end.

NOTE 7 - FEDERAL TAX STATUS

The Foundation is a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Contributions to the Foundation are deductible under section 170(c) of the Code. The Foundation is not a private foundation as described in Section 509(a) of the Code. Income tax returns that remain open for examination by taxing authorities include 2017 and later years.

NOTE 8 - CONCENTRATION OF CREDIT RISKS

The Foundation maintains its cash, cash equivalents and investment balances in two financial institutions in Olean, New York. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 of demand deposit balances. The Foundation also has Securities Investor Protection Corporation (SIPC) coverage of its Morgan Stanley wealth management portfolio up to \$1 billion. At December 31, 2020, the Organization's cash and investment balances were fully insured with FDIC and SIPC coverage.

NOTE 9 - ENDOWMENTS

Return Objectives and Risk Parameters

The primary investment objective of the Foundation is to maximize long-term real (after inflation) investment returns recognizing established risk parameters and the need to preserve capital. The possibility of short-term declines in market value is acceptable in order to achieve potentially higher long-term investment returns. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the New York Prudent Management of Institutional Funds Act of 2010, (NYPMIFA), the Foundation, at its discretion, has the ability to distribute endowment assets below the donor's original dollar value of the gift.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The objectives shall be accomplished by utilizing a strategy of equities, fixed income and cash equivalents in a mix that is conducive to participation in a rising market while allowing for adequate protection in a falling market.

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy complies with the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA). A summary of the terms of the spending policy are as follows:

	Effective 1/1/2020	Effective 1/1/2019
Spending percentage:		
Grant spending	3.50-4.00%	3.50-4.00%
Administrative fees	1.00-1.50%	1.00-1.50%
Total	5.00%	5.00%
Calculation period:		
Grant spending	Trailing 16 quarters	Trailing 16 quarters
Administrative fees	Trailing 16 quarters or \$300 whichever is greater	Trailing 16 quarters or \$300 whichever is greater

Under the spending policy, distributions are based on the endowments average fair value over the calculation period as described above. This spending strategy reflects the total return approach to investing and disbursing funds as described above. Grant spending is dependent upon the type of fund established (endowed versus non-endowed).

NOTE 10 – CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS BY FUND CLASSIFICATION

	Endowment Funds	Non-endowed Funds	Operations / Administration Funds	Total
Balance at December 31, 2018	\$ 15,038,093	\$ 894,973	\$ 1,075,202	\$ 17,008,268
Gifts, donations and other revenue	1,281,515	392,210	70,958	1,744,683
Net investment return	2,622,643	143,140	176,048	2,941,831
Grants to others and other expenses	(1,174,325)	(329,728)	(136,618)	(1,640,671)
Management, general and fundraising expenses	--	--	(261,102)	(261,102)
Administrative fee income (expense)	(229,778)	(20,406)	294,412	44,228
Reclassification from Agency fund	15,995	10,806	--	26,801
Transfers (to) from other funds	(2,866)	2,866	--	--
Balance at December 31, 2019	\$ 17,551,277	\$ 1,093,861	\$ 1,218,900	\$ 19,864,038

	Endowment Funds	Non-endowed Funds	Operations / Administration Funds	Total
Balance at December 31, 2019	\$ 17,551,277	\$ 1,093,861	\$ 1,218,900	\$ 19,864,038
Gifts, donations and other revenue	854,054	599,101	58,061	1,511,216
Net investment return	1,809,520	113,693	119,674	2,042,887
Grants to others and other expenses	(627,936)	(510,443)	(116,330)	(1,254,709)
Management, general and fundraising expenses	--	--	(266,479)	(266,479)
Administrative fee income (expense)	(240,035)	(19,092)	305,553	46,426
Transfers (to) from other funds	9,856	(9,856)	--	--
Balance at December 31, 2020	\$ 19,356,736	\$ 1,267,264	\$ 1,319,379	\$ 21,943,379

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11 – COMPOSITION OF NET ASSETS BY TYPE

	2020				2019			
	Endowment Funds	Non-endowed Funds	Operations / Administration		Endowment Funds	Non-endowed Funds	Operations / Administration	
			Funds	Total			Funds	Total
Without restriction	\$ 1,095,700	\$ --	\$ 1,319,379	\$ 2,415,079	\$ 1,033,653	\$ --	\$ 1,218,900	\$ 2,252,553
Donor designated	9,509,216	180,910	--	9,690,126	8,924,253	149,582	--	9,073,835
Scholarship	5,644,532	172,429	--	5,816,961	4,944,746	167,920	--	5,112,666
Field of interest	1,999,585	876,747	--	2,876,332	1,665,236	765,553	--	2,430,789
Donor advised	1,064,503	--	--	1,064,503	967,394	--	--	967,394
Agency/Individual Gifts	43,199	37,179	--	80,378	15,995	10,806	--	26,801
Totals	\$ 19,356,735	\$ 1,267,265	\$ 1,319,379	\$ 21,943,379	\$ 17,551,277	\$ 1,093,861	\$ 1,218,900	\$ 19,864,038

NOTE 12 - FAIR VALUE MEASUREMENTS

The Foundation's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount 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 different fair value measurement at the reporting date. FASB ASC 820-10-50, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. As presented in the table below, this hierarchy consists of three broad levels. Level 1 inputs on the hierarchy consist of unadjusted quoted prices in active markets and have the highest priority. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement, and have the lowest priority. The Foundation uses appropriate valuation techniques based on available inputs to measure the fair value of the Foundation's investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 and Level 3 inputs are only used when Level 1 inputs are not available. As of December 31, the Foundation's investments measured at fair value consisted of the following instruments and classifications within the fair value hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total at December 31, 2020
Cash and cash equivalents	\$ 583,926	\$ --	\$ --	\$ 583,926
Fixed income	4,470,601	--	--	4,470,601
Equities	16,560,368	--	--	16,560,368
Alternatives	4,328,069	--	--	4,328,069
Total	\$ 25,942,964	\$ --	\$ --	\$ 25,942,964

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total at December 31, 2019
Cash and cash equivalents	\$ 532,651	\$ --	\$ --	\$ 532,651
Fixed income	5,708,157	--	--	5,708,157
Equities	13,529,376	--	--	13,529,376
Alternatives	3,554,979	--	--	3,554,979
Total	\$ 23,325,163	\$ --	\$ --	\$ 23,325,163

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 13 – FUNCTIONAL EXPENSES

Expenses consist of costs related program services, management and general and fundraising and are directly allocated to the function in which they benefit.

Year ended December 31, 2020

	Program Service	Management and General	Fundraising	Total
Grants to others and other expenses	\$ 1,182,618	\$ --	\$ --	\$ 1,182,618
Salaries and benefits	63,387	155,524	23,935	242,846
Payroll taxes	4,810	10,588	1,684	17,082
Advertising and promotion	--	5,376	2,895	8,271
Office expense	--	7,469	203	7,672
Information technology	--	22,635	--	22,635
Occupancy	3,894	8,850	1,416	14,160
Depreciation expense	--	575	--	575
Other expenses	--	17,580	5,729	23,309
Business development	--	1,353	667	2,020
Total expenses	\$ 1,254,709	\$ 229,950	\$ 36,529	\$ 1,521,188

Year ended December 31, 2019

	Program Service	Management and General	Fundraising	Total
Grants to others and other expenses	\$ 1,569,212	\$ --	\$ --	\$ 1,569,212
Salaries and benefits	63,620	140,030	22,266	225,916
Payroll taxes	3,945	8,682	1,381	14,008
Advertising and promotion	--	6,643	3,577	10,220
Office expense	--	15,146	253	15,399
Information technology	--	22,421	--	22,421
Occupancy	3,894	8,850	1,416	14,160
Depreciation expense	--	575	--	575
Other expenses	--	18,517	3,424	21,941
Business development	--	5,307	2,614	7,921
Total expenses	\$ 1,640,671	\$ 226,171	\$ 34,931	\$ 1,901,773

NOTE 14 - LIQUIDITY

The Foundation's financial assets available for general use within one year of the statement of financial position date consist of cash and cash equivalents and amounts due from other funds included within the Foundation's operating account and totaled approximately \$242,000 at December 31, 2020. The Foundation also has an operating endowment investment fund (approximately \$1,078,000 at December 31, 2020) which makes an annual distribution to the operating account consistent with the Foundation's spending policy. The estimated distribution to the operating account for 2021 is approximately \$50,000 which is available to meet general expenditures of the Foundation. The entire value of the fund is available for general use, however the Foundation has no plans to liquidate.

In addition, the Foundation charges administrative fees to each of its funds which are available for the general use of the Foundation. The estimated amount of administrative fees expected to be collected in 2021 and available for general use are approximately \$306,000.

Finally, investments held in an endowment and other funds managed by the Foundation are not available for general use unless written approval from donors.

NOTE 15 – FUND TRANSFERS

During the year-ended December 31, 2020 one fund totaling \$9,856 as of January 1, 2020, was reclassified from non-endowed to endowed. During the year-ended December 31, 2019 one fund totaling \$8,653 as of January 1, 2019, was reclassified from endowed to non-endowed and one fund totaling \$5,787 as of January 1, 2019, was reclassified from non-endowed to endowed.

NOTE 16 – RECLASSIFICATIONS

As discussed in Note 5, the Foundation maintains separate funds to track individual and third-party gifts to various Agency funds. Effective December 31, 2019 funds totaling \$26,801 were reclassified from Funds held for Agencies (liability) to net assets.

NOTE 17 – BUILDING LEASE

During the year ended December 31, 2016, the Foundation entered into a five year lease agreement for office space. The lease calls for monthly payments of \$1,050 and expires on May 1, 2021.

NOTE 18 – COVID-19 PANDEMIC

In March 2020, the outbreak of COVID-19 caused by a novel strain of the coronavirus has been recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the temporary disclosures of many businesses, "shelter in place" and other governmental regulations, and reduced consumer spending due to both job losses and other effects attributable to the pandemic. The extent and impact of the pandemic on the Foundation and its future contributions, market return and operations are uncertain and cannot be reasonably estimated at this time.

As discussed in Note 6 the Foundation obtained a Paycheck Protection Program loan as a result of the pandemic.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated by Management through May 17, 2021, which is the date the financial statements were available to be issued.

Effective January 1, 2021, the lease agreement for office space was amended and calls for a monthly payment of \$1,428.