

**COMMUNITY FOUNDATION  
OF LORAIN COUNTY**

**CONSOLIDATED FINANCIAL REPORT**

**DECEMBER 31, 2020 and 2019**

COMMUNITY FOUNDATION OF LORAIN COUNTY

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## Independent Auditors' Report

To the Board of Directors  
Community Foundation of Lorain County  
Elyria, Ohio

We have audited the accompanying consolidated financial statements of Community Foundation of Lorain County, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Lorain County 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.



Cleveland, Ohio  
June 2, 2021

COMMUNITY FOUNDATION OF LORAIN COUNTY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 54,027	\$ 178,966
Investments	154,532,167	143,945,846
Program related investments	13,158	39,268
Assets held in trust by others	121,504	108,087
Notes receivable	114,953	430,197
Contributions receivable	32,651	13,263
Prepaid expenses	68,120	67,046
Property and equipment - net	<u>748,046</u>	<u>771,440</u>
Total assets	<u>\$ 155,684,626</u>	<u>\$ 145,554,113</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 73,641	\$ 11,008
Grants payable	236,077	940,201
Paycheck Protection Program loan	148,306	-
Split-interest agreements	29,867	42,385
Agency fund liability	<u>21,540,624</u>	<u>20,639,817</u>
Total liabilities	22,028,515	21,633,411
 <u>NET ASSETS</u>		
Without donor restrictions	133,534,607	123,812,615
With donor restrictions	<u>121,504</u>	<u>108,087</u>
Total net assets	<u>133,656,111</u>	<u>123,920,702</u>
Total liabilities and net assets	<u>\$ 155,684,626</u>	<u>\$ 145,554,113</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION OF LORAIN COUNTY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 5,954,331		\$ 5,954,331
Less: amounts received for agency funds	<u>(110,332)</u>		<u>(110,332)</u>
Net contributions	5,843,999		5,843,999
Investment income - net of fees	12,422,757	\$ 13,417	12,436,174
Less: investment income on agency funds	<u>(1,442,060)</u>		<u>(1,442,060)</u>
Net investment income	10,980,697	13,417	10,994,114
Other income	<u>147,181</u>		<u>147,181</u>
Total support and revenue	16,971,877	13,417	16,985,294
<b>EXPENSES</b>			
Program services	6,858,730		6,858,730
Less: grants paid from agency funds	<u>(651,585)</u>		<u>(651,585)</u>
Net program services	6,207,145		6,207,145
General and administrative	618,252		618,252
Fundraising and development	<u>424,488</u>		<u>424,488</u>
Total expenses	<u>7,249,885</u>		<u>7,249,885</u>
CHANGE IN NET ASSETS	9,721,992	13,417	9,735,409
NET ASSETS – BEGINNING OF YEAR	<u>123,812,615</u>	<u>108,087</u>	<u>123,920,702</u>
NET ASSETS – END OF YEAR	<u>\$ 133,534,607</u>	<u>\$ 121,504</u>	<u>\$ 133,656,111</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION OF LORAIN COUNTY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 2,535,127		\$ 2,535,127
Less: amounts received for agency funds	<u>(101,129)</u>		<u>(101,129)</u>
Net contributions	2,433,998		2,433,998
Investment income - net of fees	22,352,470	\$ 16,437	22,368,907
Less: investment income on agency funds	<u>(3,039,720)</u>		<u>(3,039,720)</u>
Net investment income	19,312,750	16,437	19,329,187
Other income	<u>197,984</u>		<u>197,984</u>
Total support and revenue	21,944,732	16,437	21,961,169
<b>EXPENSES</b>			
Program services	6,762,024		6,762,024
Less: grants paid from agency funds	<u>(809,769)</u>		<u>(809,769)</u>
Net program services	5,952,255		5,952,255
General and administrative	710,345		710,345
Fundraising and development	<u>446,323</u>		<u>446,323</u>
Total expenses	<u>7,108,923</u>		<u>7,108,923</u>
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	14,835,809	16,437	14,852,246
NON-OPERATING ACTIVITY			
Loss on disposal of property and equipment	<u>(5,701)</u>		<u>(5,701)</u>
CHANGE IN NET ASSETS	14,830,108	16,437	14,846,545
NET ASSETS – BEGINNING OF YEAR	<u>108,982,507</u>	<u>91,650</u>	<u>109,074,157</u>
NET ASSETS – END OF YEAR	<u>\$ 123,812,615</u>	<u>\$ 108,087</u>	<u>\$ 123,920,702</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION OF LORAIN COUNTY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>
Grants awarded	\$ 6,262,840			\$ 6,262,840
Salaries and related expenses	419,898	\$ 446,005	\$ 215,830	1,081,733
Communications and events			125,304	125,304
Equipment rental and maintenance	34,069	36,186	17,511	87,766
Professional fees	30,382	32,271	15,617	78,270
Occupancy	27,599	29,315	14,186	71,100
Employee activities	21,907	23,269	11,260	56,436
Supplies, postage and printing	16,546	17,575	8,505	42,626
Website development and maintenance	10,088	10,716	5,186	25,990
Depreciation	9,081	9,645	4,668	23,394
Insurance	5,802	6,162	2,982	14,946
Consultant and special project	13,827			13,827
Board development	3,809	4,046	1,958	9,813
Miscellaneous	2,882	3,062	1,481	7,425
	<u>6,858,730</u>	<u>618,252</u>	<u>424,488</u>	<u>7,901,470</u>
Grants paid from agency funds	<u>(651,585)</u>			<u>(651,585)</u>
	<u>\$ 6,207,145</u>	<u>\$ 618,252</u>	<u>\$ 424,488</u>	<u>\$ 7,249,885</u>
	<u>85.62%</u>	<u>8.53%</u>	<u>5.85%</u>	<u>100.00%</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION OF LORAIN COUNTY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>
Grants awarded	\$6,218,582			\$6,218,582
Salaries and related expenses	334,361	\$ 394,865	\$ 186,804	916,030
Communications and events			88,306	88,306
Equipment rental and maintenance	28,076	33,156	15,686	76,918
Professional fees	92,074	108,735	51,441	252,250
Occupancy	21,520	25,414	12,023	58,957
Employee activities	23,466	27,712	13,110	64,288
Supplies, postage and printing	6,530	7,712	3,648	17,890
Website development and maintenance	602	711	336	1,649
Depreciation	11,968	14,134	6,686	32,788
Bad debt expense			62,500	62,500
Insurance	5,209	6,152	2,910	14,271
Consultant and special project	14,493	85,680		100,173
Board development	3,027	3,575	1,691	8,293
Miscellaneous	2,116	2,499	1,182	5,797
	<u>6,762,024</u>	<u>710,345</u>	<u>446,323</u>	<u>7,918,692</u>
Grants paid from agency funds	<u>(809,769)</u>			<u>(809,769)</u>
	<u>\$ 5,952,255</u>	<u>\$ 710,345</u>	<u>\$ 446,323</u>	<u>\$ 7,108,923</u>
	<u>83.73%</u>	<u>9.99%</u>	<u>6.28%</u>	<u>100.00%</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION OF LORAIN COUNTY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 9,735,409	\$ 14,846,545
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	23,394	32,788
Loss on disposal of property and equipment	-	5,701
Donated securities	(106,561)	(34,159)
Net realized and unrealized gains on investments	(10,404,645)	(20,271,626)
Investment earnings on agency funds	1,442,060	3,039,720
Interest and dividends reinvested net of fees	(2,031,529)	(2,097,281)
Change in assets held in trust by others	(13,417)	(16,437)
Change in split-interest agreement	(3,676)	6,878
Changes in assets and liabilities:		
Contributions receivable	(19,388)	60,820
Prepaid expenses	(1,074)	(13,308)
Accounts payable and accrued expenses	62,633	(5,162)
Grants payable	(704,124)	(227,272)
Agency fund liability	(541,253)	(708,639)
Total adjustments	<u>(12,297,580)</u>	<u>(20,227,977)</u>
Net cash used in operating activities	(2,562,171)	(5,381,432)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Notes receivable	315,244	138,645
Proceeds from sale of investments	23,739,878	15,996,517
Purchase of investments	(21,783,464)	(10,636,174)
Program related investments	26,110	33,225
Purchases of property and equipment	-	(10,592)
Net cash provided by investing activities	<u>2,297,768</u>	<u>5,521,621</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	148,306	-
Payments for split-interest agreements	(8,842)	(9,420)
Net cash provided by (used in) financing activities	<u>139,464</u>	<u>(9,420)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(124,939)	130,769
<b>CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR</b>	<u>178,966</u>	<u>48,197</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<u>\$ 54,027</u>	<u>\$ 178,966</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

- A. Description of the Community Foundation – The Community Foundation of Lorain County ("Community Foundation") is a public foundation established in 1980 with income from endowment funds contributed by individuals, families, businesses and nonprofit organizations. The Community Foundation is an open and inclusive anchor institution that works to improve the quality of life for those living and working in Lorain County, Ohio. It responds to the changing needs of the community by making grants to local nonprofit organizations and providing scholarships to benefit local students. The Community Foundation is committed to a culture of diversity, inclusion and equity to guide its values, actions and impact in Lorain County.
- B. *Basis of Consolidation* – The consolidated financial statements include the Community Foundation, Charitable Properties of Lorain County, LLC, Forever Farmland of Lorain County, LLC and Forever Farmland of Huron County, LLC. Charitable Properties of Lorain County, LLC was formed as a single member nonprofit limited liability company to increase the Community Foundation's capacity to evaluate, accept and manage gifts of real property. Forever Farmland of Lorain County, LLC and Forever Farmland of Huron County, LLC were formed to provide opportunities to receive and manage agricultural gifts. All accounts and transactions between the organizations have been eliminated in the consolidated financial statements. "Community Foundation" refers to the consolidated organizations.
- C. *Cash and Cash Equivalents* – For the purposes of the consolidated statements of cash flows, the Community Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Temporarily uninvested cash in investment accounts is considered an investment rather than a cash equivalent.

At times during the year, the Community Foundation maintained funds on deposit at its banks in excess of FDIC insurance limits.

- D. *Investments* – Investments are recorded at fair value based on published market prices or net asset value. The difference between their cost and fair market value is recorded as an unrealized gain or loss in the consolidated statements of activities and changes in net assets. Specific identification is used to identify securities sold.
- E. *Investment Spending Policy* – The annual spending policy is based on a 12-quarter moving average market value of net assets, with a floor of 3.5% and a ceiling of 5.0%, taking into account both preservation of principal, as well as investment and custodial cost and fees. Payments in excess of annual spending policy are allowable expenditures only with special approval of the Board of Directors of the Community Foundation ("Board"). The amount that is available to be spent, awarded and not distributed is included in grants payable and amounts to \$236,077 and \$940,201 in 2020 and 2019, respectively, and is due within one year.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

- F. *Fair Value of Financial Instruments* – The Financial Accounting Standards Board ("FASB") ASC 820, *Fair Value Measurements*, applies to all financial instruments that are measured and reported on a fair value basis. As defined in FASB ASC 820, fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. In determining fair value, the Community Foundation utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable firm inputs. The Community Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the examination of the inputs used in the valuation techniques, the Community Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets and liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs in which little or no market data exists.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- G. *Notes Receivable* – During 2016, the Community Foundation received a gift from an estate of a 29% ownership in a Limited Liability Partnership that held a note receivable for 52 lots available for sale. Due to collection issues, the Community Foundation wrote-off \$62,500 to bad debt expense in 2019 and reached a settlement agreement for \$94,727 which was paid in full on January 28, 2020. The value of this note receivable was \$-0- and \$94,727 in 2020 and 2019, respectively.

On December 31, 2018, the Community Foundation's investment in a privately held company was transferred to an ESOP and the investment transferred to a seller financed note receivable that will be paid monthly for the next five years. The value of this note receivable is \$104,374 and \$334,914 in 2020 and 2019, respectively. Included in notes receivable is an additional \$10,579 and \$556 in 2020 and 2019, respectively, of other accounts receivable.

- H. *Contributions Receivable* – The Community Foundation recognizes contributions when they are received. At year end, contributions that have been received may not have been deposited until after December 31. These amounts are recorded as receivables and amounted to \$32,651 and \$13,263 in 2020 and 2019, respectively. In management's opinion, contributions receivable as of December 31, 2020 and 2019 were collectible and no material uncollectible accounts existed.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

- I. *Property and Equipment* – Property and equipment purchased by the Community Foundation are carried at cost. Donated property and equipment are recorded at estimated fair value at the date of donation. Expenditures which substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs and capital expenditures of less than \$2,500 are expensed as incurred. The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reflected in the current year's activities.

	<u>2020</u>	<u>2019</u>
Land	\$ 238,250	\$ 238,250
Building	628,448	628,448
Building improvements	67,976	67,976
Equipment	<u>76,747</u>	<u>162,425</u>
	1,011,421	1,097,099
Less: accumulated depreciation	<u>(263,375)</u>	<u>(325,659)</u>
	<u>\$ 748,046</u>	<u>\$ 771,440</u>

The Community Foundation provides for depreciation of property and equipment generally using straight-line methods of depreciation over the following estimated useful lives of the assets:

<u>Class</u>	<u>Years</u>
Building	39
Building improvements	10
Equipment	3-5

- J. *Vacation and Personal Leave Pay* – Vacation and personal leave compensation is expensed when paid. Accrual of these benefits as earned would not have a material effect on the consolidated financial statements.
- K. *Advertising and Marketing Costs* – The Community Foundation participates in various advertising and marketing programs. All costs related to marketing and advertising the Community Foundation's services are expensed in the period incurred. Advertising costs charged to operations were \$28,002 and \$23,085 in 2020 and 2019, respectively.
- L. *Functional Expense Allocations* – Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expense, time spent by employees and square footage of space used for various programs.
- M. *Classification of Net Assets* – Contributions are classified as without donor restrictions and with donor restrictions based on donor specifications. Net assets without donor restrictions consist of net assets not subject to donor-imposed restrictions or the passage of time.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

M. *Classification of Net Assets* (Continued)

Net assets with donor restrictions can consist of items such as irrevocable charitable trusts, lead trusts and restricted contributions receivable. Net assets with donor restrictions result from either donor-imposed restrictions on the use of the funds or timing differences between the receipt of funds and the incurrence of the related expenses. The Community Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Grants and contributions received with donor-imposed restrictions are recorded as without donor restrictions if the restrictions are met within the same period. This policy is also followed for investment income received with donor-imposed restrictions.

The Board, on the advice of legal counsel, has determined that the Community Foundation's net assets do not meet the definitions of endowment under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") because of the Community Foundation's right to exercise variance power over contributions. As a result of this ability, the Community Foundation does not have assets restricted in perpetuity.

- N. *Variance Power* – Variance power is the unilateral power to redirect the use of contributions to an entity or individual other than the specified beneficiary, if the Community Foundation's Board determines that circumstances have changed as to render the express desires of the donor unnecessary, impractical, incapable of fulfillment or inconsistent with the charitable needs of the community. The Community Foundation may, at any time, redirect the application of all or part of a gift, grant, devise or bequest to such other charitable uses or purposes which, in the Community Foundation's judgment, will most effectively accomplish the general mission of the Community Foundation.
- O. *Revenue Recognition* – Contributions and grants are recognized when awarded as without donor restrictions or with donor restrictions in accordance with donor specifications. Conditional promises to give - that is, those with a measurable performance barrier and a right of return - are not recognized until the conditions on which they depend on have been met.
- P. *Agency Funds* – Financial accounting standards are established for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of these assets or both to another entity that is specified by the donor. The Community Foundation refers to such funds as agency funds. These standards specifically require that if a nonprofit organization establishes an agency fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 1. Summary of Significant Accounting Policies (Continued)**

P. *Agency Funds* (Continued)

The Community Foundation maintains variance power and legal ownership of the agency funds and, as such, continues to report the funds as cash and investments of the Community Foundation. However, in accordance with financial accounting standards, a liability has been established equivalent to the value of the assets. Both the liability and the assets are measured at fair value. The amount in the consolidated statements of financial position at December 31 amount to \$21,540,624 and \$20,639,817 in 2020 and 2019, respectively. Contributions and investment activities are reported in the consolidated statements of activities and changes in net assets at the gross amounts collected and earned during the period with the amounts received for agency funds reported as separate line items.

Q. *Donated Services* – The Community Foundation received donated services (general assistance, fundraising events, etc.) which do not meet the criteria for recognition under FASB ASC 958-605 or cannot be objectively measured. These donations, while not recognized in the consolidated financial statements, provide valuable resources to the Community Foundation.

R. *Income Tax Status* – The Community Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code") and operates as a public charity. The Community Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and, therefore, qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Community Foundation is required to operate in conformity with the Code to maintain its tax exempt status.

Charitable Properties of Lorain County, LLC, Forever Farmland of Lorain County, LLC and Forever Farmland of Huron County, LLC are separately organized as single member nonprofit limited liability companies solely owned by the Community Foundation.

S. *Accounting for Uncertainty in Income Taxes* – The Community Foundation adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The standard prescribes a recognition threshold that a tax position is required to meet before being recognized in the consolidated financial statements and provides guidance on derecognition of tax benefits, classification, interest and penalties, accounting in interim periods, disclosure and transition issues. Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the accompanying consolidated financial statements.

T. *Fair Value of Financial Instruments* – Financial instruments held by the Community Foundation include, among others, accounts and notes receivable and accounts payable. The carrying amounts reported in the consolidated statements of financial position for assets and liabilities qualifying as financial instruments are a reasonable estimate of fair value.

## COMMUNITY FOUNDATION OF LORAIN COUNTY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### **Note 1. Summary of Significant Accounting Policies (Continued)**

- U. *Change in Accounting Principle* – In June 2018, FASB issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update clarify and improve current guidance about whether a transfer of assets is a contribution or an exchange transaction. In addition, an entity is required to determine whether a contribution is conditional on the basis of whether the agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promisor's obligation to transfer assets. As a resource recipient, this ASU was adopted for the Community Foundation's annual reporting period ending December 31, 2019. As a resource provider, this ASU is effective for the Community Foundation's annual reporting period ending December 31, 2020. The guidance did not have a significant impact on the Community Foundation's consolidated financial statements.
- V. *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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- W. *Subsequent Events* – The Community Foundation has evaluated subsequent events through June 2, 2021, which is the date the consolidated financial statements were available to be issued.
- X. *Reclassifications* – Certain prior year balances have been reclassified to conform with current year presentation.

#### **Note 2. Liquidity and Availability**

The Community Foundation considers investment income without donor restrictions, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Community Foundation's fiscal year.

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

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

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 2. Liquidity and Availability (Continued)**

The Community Foundation's Grants Committee (the "Committee") meets semi-annually to review and approve grant requests. Due to this timing, the Community Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general and fundraising expenses plus an amount that represents the next expected payment for semi-annual grant commitments approved by the Committee, which typically represents approximately 50% of the expected annual grant cash needs.

Financial assets available for general expenditures within one year of the statement of financial position date comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 54,027	\$ 178,966
Investments, net of agency funds	102,603,332	90,314,501
Notes receivable, due within on year	104,374	172,263
Contributions receivable, due within one year	<u>32,651</u>	<u>13,263</u>
Financial assets available to meet general expenditures within one year	<u>\$102,794,384</u>	<u>\$ 90,678,993</u>

**Note 3. Investments**

Following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Cash and Cash Equivalents

The Community Foundation invests in cash and cash equivalents, short-term investments and other securities with quoted prices in active markets.

Equities/Fixed Income

These securities, which include mutual and exchange traded funds, are valued at quoted market prices in active markets for identical assets.

Real Property

The Community Foundation values its real property holdings based on appraised values using comparable sales.

Alternative Investments

The Community Foundation considers fair value to be an amount equal to the pro-rata interest in the net assets of each private partnership. Such values are generally net of management fees and performance incentive fees or allocations payable to fund managers or general partners per the operating agreements. Investments are valued by the funds either at the net asset value per unit or percentage of ownership of the fund.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 3. Investments (Continued)**

Alternative Investments (Continued)

The Chief Financial Officer ("CFO"), under the supervision of the Investment Committee, reviews the fair value measurement policies and procedures in consultation with the investment consultant. These policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third party information. The Investment Committee meets quarterly and reviews valuation reports prepared by both the CFO and investment consultant using these procedures.

Alternative investments include private equity, venture capital, private credit and special situations.

The following table presents the financial instruments carried at fair value, on a recurring basis, as of December 31, 2020. Certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

	Quoted Market Prices in Active Markets (Level 1)	Models With Significant Observable Market Parameters (Level 2)	Unobservable Inputs not Corroborated by Market Data (Level 3)	Total Carrying Value in the Consolidated Statement of Financial Position
Cash and cash equivalents	\$ 5,753,117			\$ 5,753,117
Equities:				
Domestic	42,463,960			42,463,960
International	29,901,328			29,901,328
Emerging/frontier	8,573,799			8,573,799
Fixed income	15,911,128			15,911,128
Real property			\$ 1,539,000	1,539,000
Total assets in the fair value hierarchy	<u>\$ 102,603,332</u>	<u>\$ -</u>	<u>\$ 1,539,000</u>	104,142,332
Investments measured at NAV				<u>50,389,835</u>
Investment at fair value				<u>\$ 154,532,167</u>

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 3. Investments (Continued)**

The following table presents the financial instruments carried at fair value, on a recurring basis, as of December 31, 2019:

	Quoted Market Prices in Active Markets (Level 1)	Models With Significant Observable Market Parameters (Level 2)	Unobservable Inputs not Corroborated by Market Data (Level 3)	Total Carrying Value in the Consolidated Statement of Financial Position
Cash and cash equivalents	\$ 4,154,673			\$ 4,154,673
Equities:				
Domestic	44,049,811			44,049,811
International	24,923,042			24,923,042
Emerging/frontier	6,511,454			6,511,454
Fixed income	10,675,521			10,675,521
Real property			\$ 1,539,000	1,539,000
Total assets in the fair value hierarchy	<u>\$ 90,314,501</u>	<u>\$ -</u>	<u>\$ 1,539,000</u>	91,853,501
Investments measured at NAV				<u>52,092,345</u>
Investment at fair value				<u>\$ 143,945,846</u>

Investment income consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 2,687,167	\$ 2,689,007
Net unrealized and realized gains	10,404,645	20,271,626
Management fees	(655,638)	(591,726)
Total investment income	12,436,174	22,368,907
Less: earnings allocated to agency funds	(1,442,060)	(3,039,720)
Total net investment income	<u>\$ 10,994,114</u>	<u>\$ 19,329,187</u>

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 3. Investments (Continued)**

The Community Foundation is required to disclose the nature and risks of the investments recorded at net asset value. The following table summarizes the nature and risk of these investments as of December 31, 2020:

	Fair Value at December 31, 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equities:				
International	\$ 3,213,747	\$ -	Monthly	90 days
Emerging and frontier	4,165,840	-	Quarterly	90 days
Alternative investments:				
Multi strategy	11,752,003	-	Monthly	90 days
Credit sensitive and reinsurance	8,600,760	-	Monthly/quarterly	90 days
Private equity	3,683,021	4,255,343	-	-
Fixed income	18,974,464	-	Monthly	90 days
	<u>\$50,389,835</u>	<u>\$ 4,255,343</u>		

The following table summarizes the nature and risk of these investments as of December 31, 2019:

	Fair Value at December 31, 2019	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equities:				
International	\$ 4,181,284	\$ -	Monthly	90 days
Emerging and frontier	3,244,067	-	Quarterly	90 days
Alternative investments:				
Multi strategy	13,232,271	-	Monthly	90 days
Credit sensitive and reinsurance	11,335,796	-	Monthly/quarterly	90 days
Private equity	2,206,844	4,892,810	-	-
Fixed income	17,892,083	-	Monthly	90 days
	<u>\$52,092,345</u>	<u>\$ 4,892,810</u>		

The fixed income strategies include an investment in two limited partnerships with one focused on U.S. below investment grade fixed income and the second limited partnership focused on investment grade bonds in the international markets.

## COMMUNITY FOUNDATION OF LORAIN COUNTY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### **Note 4. Assets Held in Trust by Others**

The Community Foundation has received an unconditional promise to give in the form of an irrevocable charitable remainder trust. The Community Foundation is a 17.35% beneficiary of a remainder trust and will receive income from the trust through 2049. The assets are recorded at fair value, which is estimated to approximate the present value of the expected future distributions from the trust. The Community Foundation's portion of the fair market value of the trust was \$121,504 and \$108,087 in 2020 and 2019, respectively.

#### **Note 5. Split-Interest Agreements**

The Community Foundation is obligated under several annuity contracts, whereby the Community Foundation is trustee of trust assets and beneficiary of the net remainder. The trusts provide for quarterly or annual annuity payments at a fixed percentage of the initial gift. A discount rate of 2.6% was used to estimate the value of the obligations at December 31, 2020 and 2019.

The Community Foundation records the fair value of the future annuity payments and considers this liability to be classified as a Level 3 (unobservable inputs that are not corroborated by market data) fair value measurement as described in Note 1. The change in value of the split-interest agreements relates to the amortization of the discount annuity due to the beneficiary and is included in other income on the consolidated statements of activities. The related gift annuity asset is included in investments and amounted to \$97,488 and \$110,206 in 2020 and 2019, respectively.

#### **Note 6. Leases**

The Community Foundation maintains an operating lease for office equipment which expires October 2021. Rent expense was \$8,223 and \$8,309 in 2020 and 2019, respectively.

The Community Foundation subleases office space in Norwalk, Ohio from an unrelated nonprofit organization which expires June 30, 2021. Monthly rent of \$215 includes utilities and access to office equipment. Under this operating lease, rent expense was \$2,580 for 2020 and 2019.

#### **Note 7. Retirement Plan**

The Community Foundation offers a 401(k) defined contribution salary deferral plan covering eligible employees. The Community Foundation matches 100% of the employees' contributions up to 3% of salary and 50% of the employees' contributions on the next 2% of salary. The Community Foundation contributions to this plan amounted to \$28,923 and \$26,359 in 2020 and 2019, respectively.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 8. Net Assets Without Donor Restrictions**

The following table represents the purpose as originally restricted by the donor; however, the Community Foundation retained variance power:

	<u>2020</u>	<u>2019</u>
General purpose	\$ 16,399,956	\$ 15,938,487
Field of interest	33,507,537	32,539,150
Donor advised	31,963,124	30,286,157
Scholarship	18,956,770	14,416,801
Agency funds - donor portion	14,557,350	13,712,237
Designated	16,505,819	15,328,549
Administrative funds	<u>1,644,051</u>	<u>1,591,234</u>
	<u>\$133,534,607</u>	<u>\$123,812,615</u>

**Note 9. Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
<u>Not subject to spending policy and appropriation:</u>		
Beneficial interest in charitable perpetual trusts	<u>\$ 121,504</u>	<u>\$ 108,087</u>

**Note 10. Program Related Investments**

The Community Foundation made a program related loan to Manufacturing Advocacy and Growth Network ("MAGNET"), a nonprofit organization, for its PRISM program to drive regional economic growth from small-to-mid-sized manufacturers. The Community Foundation's total commitment to MAGNET over a three year period is \$100,000. Repayment terms extend to six years, with 2% interest only for the first three years. Principal payments of \$26,110 and \$33,225 were received in 2020 and 2019, respectively. The balance of this asset is considered long-term. Five additional foundations simultaneously made program related loans of various amounts to MAGNET for the PRISM program, bringing the total commitments of support from all funders for the program to \$1,100,000.

**Note 11. COVID-19 - Global Pandemic**

On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease 2019 ("COVID-19") a global health emergency and subsequently declared the COVID-19 outbreak a global pandemic in March 2020. The pandemic has adversely affected domestic and global economic activity and the full impact continues to evolve as of the date of this report. In addition, it is uncertain what effect the COVID-19 outbreak may have on the Community Foundation's revenues and valuation of the investment portfolio in 2021 and future periods.

COMMUNITY FOUNDATION OF LORAIN COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**Note 11. COVID-19 - Global Pandemic (Continued)**

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security ("CARES") Act. The CARES Act, among other things, created the Paycheck Protection Program ("PPP") to be administered by the U.S. Small Business Administration ("SBA"). In May 2020, the Community Foundation received approximately a \$148,000 unsecured loan under the PPP. Provisions of the PPP allow for partial or full forgiveness of the loan provided the proceeds are used for covered expenditures and certain other requirements are satisfied. As of January 2021, the loan has been fully forgiven by the SBA. The entire balance is recorded as a liability as of December 31, 2020 and will be recognized as income in January 2021.

Independent Auditors' Report on Supplementary Information

To the Board of Directors  
Community Foundation of Lorain County  
Elyria, Ohio

We have audited the consolidated financial statements of Community Foundation of Lorain County as of and for the years ended December 31, 2020 and 2019, and our report thereon dated June 2, 2021, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Maloney + Novotny LLC*

Cleveland, Ohio  
June 2, 2021

COMMUNITY FOUNDATION OF LORAIN COUNTY  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2020

	<u>Community Foundation of Lorain County</u>	<u>Charitable Properties of Lorain County, LLC</u>	<u>Forever Farmland of Lorain County, LLC</u>	<u>Forever Farmland of Huron County, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 14,714	\$ 55	\$ 39,258			\$ 54,027
Investments	152,993,167		1,539,000			154,532,167
Program related investments	13,158					13,158
Assets held in trust by others	121,504					121,504
Accounts receivable - related parties	90,033				\$ (90,033)	-
Notes receivable	114,953					114,953
Contributions receivable	32,651					32,651
Prepaid expenses	68,120					68,120
Property and equipment - net	<u>638,046</u>	<u>110,000</u>				<u>748,046</u>
Total assets	<u>\$154,086,346</u>	<u>\$ 110,055</u>	<u>\$ 1,578,258</u>	<u>\$ -</u>	<u>\$ (90,033)</u>	<u>\$155,684,626</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 73,641	\$ 88,475		\$ 1,558	\$ (90,033)	\$ 73,641
Grants payable	236,077					236,077
Paycheck Protection Program loan	148,306					148,306
Split-interest agreements	29,867					29,867
Agency fund liability	<u>21,540,624</u>					<u>21,540,624</u>
Total liabilities	22,028,515	88,475		1,558	(90,033)	22,028,515
<b>NET ASSETS</b>						
Without donor restrictions	131,936,327	21,580	\$ 1,578,258	(1,558)		133,534,607
With donor restrictions	<u>121,504</u>					<u>121,504</u>
Total net assets	<u>132,057,831</u>	<u>21,580</u>	<u>1,578,258</u>	<u>(1,558)</u>		<u>133,656,111</u>
Total liabilities and net assets	<u>\$154,086,346</u>	<u>\$ 110,055</u>	<u>\$ 1,578,258</u>	<u>\$ -</u>	<u>\$ (90,033)</u>	<u>\$155,684,626</u>

COMMUNITY FOUNDATION OF LORAIN COUNTY  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2019

	<u>Community Foundation of Lorain County</u>	<u>Charitable Properties of Lorain County, LLC</u>	<u>Forever Farmland of Lorain County, LLC</u>	<u>Forever Farmland of Huron County, LLC</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 135,483	\$ 39	\$ 43,444			\$ 178,966
Investments	142,406,846		1,539,000			143,945,846
Program related investments	39,268					39,268
Assets held in trust by others	108,087					108,087
Accounts receivable - related parties	88,133				\$ (88,133)	-
Notes receivable	430,197					430,197
Contributions receivable	13,263					13,263
Prepaid expenses	67,046					67,046
Property and equipment - net	661,440	110,000				771,440
Total assets	<u>\$143,949,763</u>	<u>\$ 110,039</u>	<u>\$ 1,582,444</u>	<u>\$ -</u>	<u>\$ (88,133)</u>	<u>\$145,554,113</u>
<u>LIABILITIES AND NET ASSETS</u>						
<u>LIABILITIES</u>						
Accounts payable and accrued expenses	\$ 11,008	\$ 86,575		\$ 1,558	\$ (88,133)	\$ 11,008
Grants payable	940,201					940,201
Split-interest agreements	42,385					42,385
Agency fund liability	20,639,817					20,639,817
Total liabilities	21,633,411	86,575		1,558	(88,133)	21,633,411
<u>NET ASSETS</u>						
Without donor restrictions	122,208,265	23,464	\$ 1,582,444	(1,558)		123,812,615
With donor restrictions	108,087					108,087
Total net assets	<u>122,316,352</u>	<u>23,464</u>	<u>1,582,444</u>	<u>(1,558)</u>		<u>123,920,702</u>
Total liabilities and net assets	<u>\$143,949,763</u>	<u>\$ 110,039</u>	<u>\$ 1,582,444</u>	<u>\$ -</u>	<u>\$ (88,133)</u>	<u>\$145,554,113</u>

COMMUNITY FOUNDATION OF LORAIN COUNTY  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

	Without Donor Restrictions					With Donor Restrictions	Total
	Community Foundation of Lorain County	Charitable Properties of Lorain County, LLC	Forever Farmland of Lorain County, LLC	Forever Farmland of Huron County, LLC	Eliminations	Total Without Donor Restrictions	
<b>SUPPORT AND REVENUE</b>							
Contributions	\$ 6,211,467				\$ (257,136)	\$ 5,954,331	\$ 5,954,331
Less: amounts received for agency funds	(110,332)					(110,332)	(110,332)
Net contributions	6,101,135				(257,136)	5,843,999	5,843,999
Investment income - net of fees	12,422,757					12,422,757	\$ 13,417
Less: investment income on agency funds	(1,442,060)					(1,442,060)	(1,442,060)
Net investment income	10,980,697					10,980,697	13,417
Other income	92,191		\$ 54,990			147,181	
Total support and revenue	17,174,023		54,990		(257,136)	16,971,877	13,417
<b>EXPENSES</b>							
Program services	7,083,982	\$ 1,884	30,000		(257,136)	6,858,730	6,858,730
Less: grants paid from agency funds	(651,585)					(651,585)	(651,585)
Net program services	6,432,397	1,884	30,000		(257,136)	6,207,145	6,207,145
General and administrative	589,076		29,176			618,252	618,252
Fundraising and development	424,488					424,488	424,488
Total expenses	7,445,961	1,884	59,176		(257,136)	7,249,885	7,249,885
CHANGE IN NET ASSETS	9,728,062	(1,884)	(4,186)		-	9,721,992	13,417
NET ASSETS – BEGINNING OF YEAR	122,208,265	23,464	1,582,444	\$ (1,558)		123,812,615	108,087
NET ASSETS – END OF YEAR	\$ 131,936,327	\$ 21,580	\$ 1,578,258	\$ (1,558)	\$ -	\$ 133,534,607	\$ 121,504

COMMUNITY FOUNDATION OF LORAIN COUNTY  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2019

	Without Donor Restrictions					With Donor Restrictions		
	Community Foundation of Lorain County	Charitable Properties of Lorain County, LLC	Forever Farmland of Lorain County, LLC	Forever Farmland of Huron County, LLC	Eliminations	Total Without Donor Restrictions	Community Foundation of Lorain County	Total
<b>SUPPORT AND REVENUE</b>								
Contributions	\$ 2,665,505				\$ (130,378)	\$ 2,535,127		\$ 2,535,127
Less: amounts received for agency funds	<u>(101,129)</u>					<u>(101,129)</u>		<u>(101,129)</u>
Net contributions	2,564,376				(130,378)	2,433,998		2,433,998
Investment income - net of fees	22,352,470					22,352,470	\$ 16,437	22,368,907
Less: investment income on agency funds	<u>(3,039,720)</u>					<u>(3,039,720)</u>		<u>(3,039,720)</u>
Net investment income	19,312,750					19,312,750	16,437	19,329,187
Other income	<u>142,994</u>		\$ 54,990			197,984		197,984
Total support and revenue	22,020,120		54,990		(130,378)	21,944,732	16,437	21,961,169
<b>EXPENSES</b>								
Program services	6,862,521	\$ 1,880	28,001		(130,378)	6,762,024		6,762,024
Less: grants paid from agency funds	<u>(809,769)</u>					<u>(809,769)</u>		<u>(809,769)</u>
Net program services	6,052,752	1,880	28,001		(130,378)	5,952,255		5,952,255
General and administrative	681,226		29,119			710,345		710,345
Fundraising and development	<u>446,323</u>					<u>446,323</u>		<u>446,323</u>
Total expenses	<u>7,180,301</u>	<u>1,880</u>	<u>57,120</u>		<u>(130,378)</u>	<u>7,108,923</u>		<u>7,108,923</u>
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	14,839,819	(1,880)	(2,130)		-	14,835,809	16,437	14,852,246
<b>NON-OPERATING ACTIVITY</b>								
Loss on disposal of property and equipment	<u>(5,701)</u>					<u>(5,701)</u>		<u>(5,701)</u>
CHANGE IN NET ASSETS	14,834,118	(1,880)	(2,130)		-	14,830,108	16,437	14,846,545
NET ASSETS – BEGINNING OF YEAR	<u>107,374,147</u>	<u>25,344</u>	<u>1,584,574</u>	\$ (1,558)		<u>108,982,507</u>	<u>91,650</u>	<u>109,074,157</u>
NET ASSETS – END OF YEAR	<u>\$ 122,208,265</u>	<u>\$ 23,464</u>	<u>\$ 1,582,444</u>	<u>\$ (1,558)</u>	<u>\$ -</u>	<u>\$ 123,812,615</u>	<u>\$ 108,087</u>	<u>\$ 123,920,702</u>