Consolidated Financial Statements
December 31, 2020

Western Colorado Community Foundation

(With Comparative Totals for 2019)

Independent Auditor's Report

The Board of Directors
Western Colorado Community Foundation
Grand Junction, Colorado

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Western Colorado Community Foundation (the Foundation), which comprise the consolidated statement of financial position as of December 31, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (financial statements).

Management's Responsibility for the Consolidated 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Western Colorado Community Foundation as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited Western Colorado Community Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reported dated April 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Eide Bailly LLP

Grand Junction, Colorado
June 21, 2021

Western Colorado Community Foundation
Consolidated Statement of Financial Position
December 31, 2020
(with comparative totals for 2019)

	2020	2019
Assets		
Cash and cash equivalents	$ 4,107,260	$ 2,106,348
Accounts receivable	211,817	177,719
Prepaid expenses and other assets	34,143	38,171
Investments	77,911,840	71,158,843
Mineral royalty interest	8,923,309	7,366,040
Beneficial interests in charitable trusts held by others	3,407,677	3,284,540
Funds held as agency endowments	4,818,917	4,136,205
Total assets	$ 99,414,963	$ 88,267,866
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 104,706	$ 104,099
Funds held as agency endowments	4,818,917	4,136,205
Refundable advance - PPP loan	114,100	-
Total liabilities	5,037,723	4,240,304
Net Assets		
Without donor restrictions		
Donor advised	29,822,127	26,104,958
Donor designated	27,857,771	24,258,509
Field of interest	14,487,839	13,497,457
Geographic area	696,486	588,160
Scholarship	15,580,941	14,496,998
Discretionary	1,924,547	1,449,323
Administrative	232,456	221,028
	90,602,167	80,616,433
With donor restrictions	3,775,073	3,411,129
Total net assets	94,377,240	84,027,562
Total liabilities and net assets	$ 99,414,963	$ 88,267,866

Western Colorado Community Foundation

Consolidated Statement of Activities
Year Ended December 31, 2020
(with comparative totals for 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019
Revenue, Support, and Gains				
Contributions	$ 4,863,406	$ 308,074	$ 5,171,480	$ 3,734,931
Net investment return	7,678,576	-	7,678,576	12,331,185
Interest and other income	34,583	-	34,583	65,189
Change in value of mineral royalty interest	2,831,820	-	2,831,820	1,785,906
Change in value of beneficial interests	-	376,328	376,328	581,295
Net assets released from restrictions	320,458	(320,458)	-	-
Total revenue, support, and gains	15,728,843	363,944	16,092,787	18,498,506
Expenses				
Grants and scholarship program	5,298,635	-	5,298,635	5,034,252
Supporting services				
Management and general	439,192	-	439,192	377,964
Fundraising	5,282	-	5,282	8,132
Total supporting services	444,474	-	444,474	386,096
Total expenses	5,743,109	-	5,743,109	5,420,348
Change in Net Assets	9,985,734	363,944	10,349,678	13,078,158
Net Assets, Beginning of Year	80,616,433	3,411,129	84,027,562	70,949,404
Net Assets, End of Year	$ 90,602,167	$ 3,775,073	$ 94,377,240	$ 84,027,562

	2020				
	Grants and Scholarship Program	Management and General	Fundraising	Total	2019
Grants and other assistance	$ 4,717,177	$ -	$ -	$ 4,717,177	$ 4,454,652
Salaries, taxes and benefits	419,344	268,103	3,051	690,498	636,700
Royalty taxes	58,108	-	-	58,108	64,931
Professional services	30,262	55,735	249	86,246	62,268
Occupancy	43,694	27,930	360	71,984	60,644
Information technology	-	49,594	-	49,594	39,753
Meetings and travel	3,083	3,948	25	7,056	27,968
Office expenses	11,402	7,261	94	18,757	27,132
Other	2,070	4,682	1,392	8,144	20,798
Advertising and promotion	13,495	8,626	111	22,232	12,459
Insurance	-	11,338	-	11,338	10,668
Depreciation	-	1,975	-	1,975	2,375
	$ 5,298,635	$ 439,192	$ 5,282	$ 5,743,109	$ 5,420,348

	2020	2019
Cash Flows from Operating Activities		
Contributions received	$ 5,097,480	$ 3,734,931
Interest and dividends received	1,371,483	2,199,499
Royalties received from interest in mineral rights	1,276,781	1,334,684
Distributions from beneficial interests in charitable trusts held by others	297,595	241,550
Other cash receipts	27,851	47,933
Grants and scholarships paid	(4,717,177)	(4,454,652)
Payments for salaries, taxes and benefits	(690,498)	(636,700)
Payments to vendors	(330,799)	(357,733)
Refundable advance - PPP loan	114,100	-
Interest paid	-	(27,500)
Net Cash from Operating Activities	2,446,816	2,082,012
Cash Flows from Investing Activities		
Purchases of investments	(2,785,717)	(4,165,461)
Proceeds from sale of investments	2,339,813	2,175,776
Net Cash used for Investing Activities	(445,904)	(1,989,685)
Cash Flows from Financing Activities		
Payments made on notes payable	-	(500,000)
Net Cash used for Financing Activities	-	(500,000)
Net Change in Cash and Cash Equivalents	2,000,912	(407,673)
Cash and Cash Equivalents, Beginning of Year	2,106,348	2,514,021
Cash and Cash Equivalents, End of Year	$ 4,107,260	$ 2,106,348

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Western Colorado Community Foundation (the Foundation) was founded in 1996 to promote philanthropy throughout western Colorado. The Foundation’s support comes primarily from individual donor contributions and grants.

Principles of Consolidation

The accompanying consolidated financial statements of Western Colorado Community Foundation include the accounts of Waldeck, LLC, and WCCF Asset Holding, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “the Foundation,” “we,” “us,” and “our.”

Comparative Financial Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Foundation's audited financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable arise from royalty payments due from our mineral royalty interest and distributions due from our beneficial interests in charitable trusts held by others. Such amounts are reported at the net amount we expect to collect, including any accrued interest. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2020 and 2019, no allowance was recorded as we believe all receivables to be fully collectible.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return (loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. We are assisted by an investment advisor in the management of our investment assets and they operate within defined investment objectives and policies established by our Board of Directors.

Mineral Royalty Interest

During 2010, we received a gift of an LLC entity that holds a royalty interest in mineral rights in a gold and silver mine. The ownership interest was recorded as a contribution without donor restrictions at the appraised value on the date of donation in the consolidated statement of activities and the mineral royalty interest was recorded in the consolidated statement of financial position. We have elected to report the mineral royalty interest at fair value in the consolidated statement of financial position, with changes in fair value recognized in the consolidated statement of activities.

Beneficial Interests in Charitable Trusts Held by Others

We have been named as an irrevocable beneficiary of multiple charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, we have neither possession nor control over the assets of the trusts. At the date we receive notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statement of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statement of financial position, with changes in fair value recognized in the consolidated statement of activities. Upon receipt of trust distributions and/or expenditures in satisfaction of the restricted purpose stipulated by the donor, if any, net assets with donor restrictions are released to net assets without donor restrictions.

Funds Held as Agency Endowments

We follow accounting standards for transactions in which a community foundation accepts a contribution from a donor nonprofit organization and, in certain circumstances, allows the transfer of those assets, the return on investment of those assets, or both, back to the donor nonprofit organization as a reciprocal transfer between us and the donor organization. Accordingly, we must account for the contribution of such assets as a liability in the accompanying consolidated statement of financial position.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use for general purposes. Our governing documents and gift agreements give the Board of Directors variance power to modify donor instructions. As a result, most contributions are classified as without donor restrictions in the consolidated statement of activities.

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. We report conditional and unconditional contributions as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2020 and 2019, we had no net assets with donor-imposed restrictions of a perpetual nature.

Revenue and Revenue Recognition

We recognize contributions when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. We initially record unconditional promises to give, and subsequently carry them, at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2020 and 2019, we had $0 and $5,000 conditional promises to give outstanding, respectively.

Grants and Grant Commitments

We recognize grants paid out as expenses at the time recipients are entitled to receive them. Generally, this occurs when the Board of Directors approves a specific grant or when management, pursuant to grant authorization policies established by the Board of Directors, determines that a grant payment should be made. Grants approved but not disbursed are recorded as grants payable in the consolidated statement of financial position. Grants payable at December 31, 2020 and 2019 totaled $0, respectively. Grants approved but contingent upon fulfillment of certain specified conditions are not recorded until such time as the conditions are substantially met. Conditional grants of $0 and $5,000 were outstanding at December 31, 2020 and 2019, respectively.

In-Kind Contributions

We record contributed goods and services at fair value at the date of donation. We received $21,000 and $19,000 of contributed services in the form of below-market rental rates during the years ended December 31, 2020 and 2019, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, taxes, benefits, occupancy, meetings and travel, office expenses, other, and advertising and promotion, which are allocated on the basis of time and effort.

Income Taxes

We are organized as a Colorado nonprofit corporation and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). We qualify for the charitable contribution deduction and have been determined not to be a private foundation. Our ownership in two LLC entities, treated as disregarded entities for tax purposes, is incorporated into our tax filings. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to our exempt purpose. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

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

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions we believe to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts.

Credit risk associated with accounts receivable is considered to be limited due to the high historical collection rate of royalty payments and distributions from beneficial interests in charitable trusts held by others.

We utilize the services of an investment manager whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that our investment policies and guidelines are prudent for the long-term welfare of the organization.

Impact of COVID-19

The outbreak of the 2019 coronavirus disease (“COVID-19”), which was declared a global pandemic by the World Health Organization, and the related responses by public health and governmental authorities to contain and combat its outbreak and spread, adversely affected workplaces, economies, and financial markets globally. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the pandemic, we are currently unable to fully determine the extent of its impact on our business in the near future. We continue to monitor evolving local economic and general business conditions and project the actual and potential impacts on our financial position, results of operations, and cash flows.

Subsequent Events

Management has considered subsequent events through June 21, 2021, the date that the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

We operate on a balanced budget, and regularly monitor liquidity to meet our operating needs and other contractual commitments while also striving to maximize the investment of our available funds.

Financial assets are considered to be available for general expenditure if there are no donor or other restrictions that would preclude expenditure outright, or in satisfaction of any purpose restrictions. At December 31, 2020 and 2019, financial assets available for general expenditure within one year are comprised of the following:

	2020	2019
Cash and cash equivalents	$ 4,107,260	$ 2,106,348
Accounts receivable	211,817	177,719
Estimated distributions from beneficial interests in charitable trusts held by others	271,278	253,159
Estimated royalty payments from interest in mineral rights	1,112,469	1,300,000
Investments (excluding donor restricted funds)	77,544,444	71,032,254
	$ 83,247,268	$ 74,869,480

As a community foundation, we hold variance power over the majority of funds received and invested in our portfolio. With variance power, these funds are available for expenditure at any time and thus are included in the table above. However, it is our expectation that the deployment of these funds will occur over a much longer period of time to meet the needs of our community and this expectation is present in the underlying investment horizon of our portfolio, which anticipates an annual spending rate of approximately 4.5% of a twenty-quarter rolling average.

Certain charitable trust arrangements have inherent time restrictions due to the nature and terms of the agreements, and expenditures from those trusts may be made only when distributions become available for our use.

Throughout the year, donor-recommended grants that have been approved in accordance with our review and approval policies are paid out bi-weekly from cash or other liquid sources. Non-grant expenditures include administrative, donor development, and fundraising expenses; these expenditures are funded by administrative fees assessed on invested account balances.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds.

Note 3 - Fair Value Measurements

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

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

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

Our investment portfolio assets, both operating and those held for agency endowments, are classified within Level 1 because they are comprised of equity securities and open-end mutual funds with readily determinable fair values based on daily closing market prices or redemption values.

The fair value of our mineral royalty interest is determined utilizing the industry standard valuation technique of discounted cash flow modeling. Significant unobservable inputs used include anticipated production rates of the minerals, open market commodity pricing and an estimated discount rate which are Level 3 measurements.

The fair value of beneficial interests in charitable trusts held by others is determined using present value techniques, the fair values of trust investments as reported by the trustees, and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets. Significant unobservable inputs used include cost of capital and industry risk premiums which are Level 3 measurements.

The following table represents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2020:

As of December 31, 2020:		Fair Value Measurements at Report Date		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment portfolio				
Cash and money market funds (at cost)	$ 1,524,491	$ -	$ -	$ -
Mutual funds				
Taxable bond funds	9,154,648	9,154,648	-	-
Treasury inflation protected securities	2,385,786	2,385,786	-	-
U.S. and international equities	37,813,236	37,813,236	-	-
Small company	15,114,061	15,114,061	-	-
Growth real estate	5,306,234	5,306,234	-	-
Aggressive international	5,032,098	5,032,098	-	-
Energy and natural resources	6,400,203	6,400,203	-	-
	82,730,757	$ 81,206,266	$ -	$ -
Funds held as agency endowments	4,818,917			
Operating investments	$ 77,911,840			
Mineral royalty interest	$ 8,923,309	$ -	$ -	$ 8,923,309
Beneficial interests in charitable trusts held by others	$ 3,407,677	$ -	$ -	$ 3,407,677

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2020:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3)	
	Beneficial Interests in Charitable Trusts	Mineral Royalty Interest
Beginning Balance	$ 3,284,540	$ 7,366,040
Change in value	376,328	2,831,820
Distributions	(253,191)	(1,274,551)
Ending Balance	$ 3,407,677	$ 8,923,309

The following table represents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2019:

As of December 31, 2019:		Fair Value Measurements at Report Date		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment portfolio				
Cash and money market funds (at cost)	$ 907,748	$ -	$ -	$ -
Mutual funds				
Taxable bond funds	6,131,767	6,131,767	-	-
Treasury inflation protected securities	3,010,066	3,010,066	-	-
U.S. and international equities	37,666,178	37,666,178	-	-
Small company	11,856,058	11,856,058	-	-
Growth real estate	5,169,161	5,169,161	-	-
Aggressive international	4,498,063	4,498,063	-	-
Energy and natural resources	6,056,007	6,056,007	-	-
	75,295,048	$ 74,387,300	$ -	$ -
Funds held as agency endowments	4,136,205			
Operating investments	$ 71,158,843			
Mineral royalty interest	$ 7,366,040	$ -	$ -	$ 7,366,040
Beneficial interests in charitable trusts held by others	$ 3,284,540	$ -	$ -	$ 3,284,540

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant observable inputs (Level 3) for the year ended December 31, 2019:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3)	
	Beneficial Interests in Charitable Trusts	Mineral Royalty Interest
Beginning Balance	$ 2,924,777	$ 6,877,745
Change in value	581,295	1,785,906
Distributions	(221,532)	(1,297,611)
Ending Balance	$ 3,284,540	$ 7,366,040

Note 4 - Net Investment Return

Net investment return consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Interest and dividends	$ 1,515,387	$ 2,344,782
Net realized and unrealized gain	6,307,093	10,131,686
Less investment management and custodial fees	(143,904)	(145,283)
	$ 7,678,576	$ 12,331,185

Note 5 - Operating Lease

We lease office space under an operating lease expiring on December 31, 2025. Future minimum lease payments are as follows:

Years Ending December 31,	
2021	$ 55,739
2022	57,411
2023	59,134
2024	60,908
2025	61,505
	$ 294,697

Rent expense for the years ended December 31, 2020 and 2019 totaled $71,984 and $60,644, respectively. Included in rent expense for the years ended December 31, 2020 and 2019 is $21,000 and $19,000, respectively, of in-kind rent recorded based on below-market rental rates on a portion of our office space. The offsetting contribution of this rent has been recorded as contribution revenue.

Note 6 - Refundable Advance – Paycheck Protection Program (PPP) Loan

We were granted a $114,100 loan under the Paycheck Protection Program (PPP), administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. We are eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. We have initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right of return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses and certain other requirements are met. No contribution revenue has been recorded for the year ended December 31, 2020. On February 1, 2021 we received notification that the SBA had fully forgiven the outstanding balance of the loan.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2020	2019
Subject to expenditure for specified purpose:		
Hunger and wellness projects	$ 323,764	$ 66,716
Scholarship projects	43,632	59,873
Subject to the passage of time:		
Beneficial interests in charitable trusts	3,407,677	3,284,540
	$ 3,775,073	$ 3,411,129

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows during the years ended December 31, 2020 and 2019:

	2020	2019
Satisfaction of purpose restrictions		
Hunger projects	$ 39,952	$ 53,235
Scholarship projects	27,315	84,100
Expiration of time restrictions		
Beneficial interests in charitable trusts	253,191	221,532
	$ 320,458	$ 358,867

Note 8 - Employee Benefits

We sponsor a tax-deferred annuity plan (the Plan), qualified under IRC Section 403(b), covering substantially all employees who work 20 hours per week or more and have completed one year of service. The Plan also provides that qualified employees may voluntarily contribute a percentage of their salary to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and made into the Plan, whether or not the employee contributes. During the years ended December 31, 2020 and 2019, we paid the employer contributions to the Plan of $10,512 and $19,256, respectively.

Note 9 - Related Party Transactions

Our Conflict of Interest policy requires the Board of Directors to review, at least annually, all related party transactions and potential conflicts of interest.

During the years ended December 31, 2020 and 2019 members of our Board of Directors contributed a total of $209,990 and $536,457, respectively, to our organization and grants disbursed to organizations for which our board members are affiliated totaled $459,966 and $279,070, respectively. As of December 31, 2020 and 2019, cash balances held at financial institutions owned by a member of our Board of Directors totaled $128,321 and $423,267, respectively.