

ADAMS COUNTY COMMUNITY FOUNDATION
YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Adams County Community Foundation
Gettysburg, Pennsylvania

We have audited the accompanying financial statements of Adams County Community Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Adams County Community Foundation as of December 31, 2019 and 2018, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of operations are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Boles Metzger Brosius & Walborn PC

Harrisburg, Pennsylvania
March 27, 2020

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	ASSETS	
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$727,342	\$928,630
Contributions receivable (Note 4)	30,575	322,612
Other receivables	4,361	4,852
Prepaid expenses	709	676
Investments, at fair value (Note 5)	15,551,265	12,591,516
Community loans (Note 6)	-	19,000
Property, equipment and software, net (Note 7)	<u>220,868</u>	<u>225,703</u>
Total assets	<u>\$16,535,120</u>	<u>\$14,092,989</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$12,281	\$13,905
Funds held as agency endowments (Note 8)	<u>1,180,408</u>	<u>1,024,177</u>
Total liabilities	<u>1,192,689</u>	<u>1,038,082</u>
Net assets, all without donor restrictions	<u>15,342,431</u>	<u>13,054,907</u>
Total liabilities and net assets	<u>\$16,535,120</u>	<u>\$14,092,989</u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenue and other support:		
Contributions	\$1,987,886	\$3,383,319
Other income	19,081	15,299
Investment income (Note 5):		
Interest, dividends and capital gain distributions	310,195	344,142
Realized and unrealized gains (losses)	<u>2,148,596</u>	<u>(628,159)</u>
Total revenue and other support, all without donor restrictions	<u>4,465,758</u>	<u>3,114,601</u>
Expenses:		
Program - grants and scholarships (Note 10)	1,782,866	1,245,915
Program - other	226,653	161,967
Administrative	95,010	82,013
Development	<u>73,705</u>	<u>73,100</u>
Total expenses	<u>2,178,234</u>	<u>1,562,995</u>
Change in net assets	2,287,524	1,551,606
Net assets, beginning of year, without donor restrictions	<u>13,054,907</u>	<u>11,503,301</u>
Net assets, end of year without donor restrictions	<u><u>\$15,342,431</u></u>	<u><u>\$13,054,907</u></u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	2019				2018 (memo) Total
	Program	Supporting services		Total	
		Administrative	Development	Total	
Program grants	\$1,782,866	\$ -	\$ -	\$ -	\$1,782,866
Salaries and wages	108,688	46,044	49,821	95,865	183,191
Employee benefits	11,845	5,018	5,430	10,448	9,448
Retirement expense	3,019	1,279	1,384	2,663	-
Payroll taxes	9,959	4,219	4,565	8,784	18,417
Advertising	2,712	-	-	-	5,307
Community loan write-off (Note 6)	19,000	-	-	-	-
Bank Charges	-	3,444	-	3,444	1,963
Contracted services	-	6,291	-	6,291	6,380
Depreciation	3,697	3,141	431	3,572	7,275
Dues and subscriptions	3,134	1,544	-	1,544	5,836
Events and costs	42,123	-	-	-	20,765
Insurance	3,277	724	255	979	4,260
Meals and entertainment	255	255	-	255	857
Meetings and conferences	-	1,021	-	1,021	3,361
Office expense	1,696	1,696	217	1,913	2,975
Postage and shipping	989	176	1,033	1,209	1,393
Printing	10,120	-	10,119	10,119	24,304
Professional fees	-	15,137	-	15,137	11,600
Repairs and maintenance	2,928	2,928	-	2,928	4,761
Telephone	1,452	335	74	409	1,915
Travel	-	-	376	376	218
Utilities	1,759	1,758	-	1,758	2,854
Total expenses	<u>\$2,009,519</u>	<u>\$95,010</u>	<u>\$73,705</u>	<u>\$168,715</u>	<u>\$2,178,234</u>
					<u>\$1,562,995</u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program	Supporting services		Total	Total
		Administrative	Development		
Program grants	\$1,245,915	\$ -	\$ -	\$ -	\$1,245,915
Salaries and wages	91,194	40,669	51,328	91,997	183,191
Employee benefits	4,724	2,079	2,645	4,724	9,448
Payroll taxes	9,170	4,087	5,160	9,247	18,417
Advertising	5,307	-	-	-	5,307
Bank Charges	-	1,963	-	1,963	1,963
Contracted services	-	6,380	-	6,380	6,380
Depreciation	3,709	3,135	431	3,566	7,275
Dues and subscriptions	3,910	1,926	-	1,926	5,836
Events and costs	20,765	-	-	-	20,765
Insurance	3,280	724	256	980	4,260
Meals and entertainment	429	428	-	428	857
Meetings and conferences	-	3,361	-	3,361	3,361
Office expense	1,398	1,398	179	1,577	2,975
Postage and shipping	627	111	655	766	1,393
Printing	12,152	-	12,152	12,152	24,304
Professional fees	-	11,600	-	11,600	11,600
Real estate taxes	-	-	-	-	-
Repairs and maintenance	2,381	2,380	-	2,380	4,761
Telephone	1,494	345	76	421	1,915
Travel	-	-	218	218	218
Utilities	1,427	1,427	-	1,427	2,854
Total expenses	<u>\$1,407,882</u>	<u>\$82,013</u>	<u>\$73,100</u>	<u>\$155,113</u>	<u>\$1,562,995</u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$2,287,524	\$1,551,606
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,269	7,275
Unrealized and realized gain on investments	(2,148,596)	628,159
Donation of investments	(101,502)	(8,626)
Community loan write-off	19,000	
(Increase) decrease in current assets:		
Receivables	292,528	(213,428)
Prepaid expenses	(33)	162
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	(1,624)	4,267
Funds held as agency endowments	<u>156,231</u>	<u>6,965</u>
Net cash provided by operating activities	<u>510,797</u>	<u>1,976,380</u>
Cash flows from investing activities:		
Capital expenditures	(2,434)	(7,731)
Community loans (advanced) repaid	-	6,000
Purchase of securities	(11,446,545)	(20,846,316)
Proceeds from sale of securities	<u>10,736,894</u>	<u>19,067,162</u>
Net cash used by investing activities	<u>(712,085)</u>	<u>(1,780,885)</u>
Cash flows from financing activities:	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(201,288)	195,495
Cash and cash equivalents at beginning of year	<u>928,630</u>	<u>733,135</u>
Cash and cash equivalents at end of year	<u><u>\$727,342</u></u>	<u><u>\$928,630</u></u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>
Supplemental schedule of noncash operating activities:		
Donated securities	<u><u>\$101,502</u></u>	<u><u>\$8,626</u></u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 - PURPOSE AND ORGANIZATION

The Adams County Community Foundation is a community foundation. Under Internal Revenue Code Sections 501(c)(3), 170(b)(1)(A)(vi) and Section 509(a), it is a public support charitable organization, gifts to which are deductible for tax purposes. The purpose of the Community Foundation is to inspire people and communities to build and distribute charitable funds for the greater Adams County Pennsylvania area, which constitutes a concentration of the Community Foundation's revenues and expenses.

In 2019, the Community Foundation was certified under National Standards for Community Foundations, which is overseen by the Council on Foundations. These standards require adherence to certain stewardship and accountability standards, including required Investment & Spending Policies. These policies outline Investment Goals and Targets, Performance Objectives, Asset Class, Allocation and Diversification, Allowable Securities and Prohibited Securities and Transactions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Community Foundation is presented to assist in understanding the Community Foundation's financial statements. The financial statements and notes are representations of the Community Foundation's management who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of these financial statements.

Basis of presentation:

The financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates:

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

Cash and cash equivalents:

For the purposes of the statement of cash flows, the Community Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued):

Cash and cash equivalents consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash in banks	\$139,262	\$203,495
Cash in PA Treasury INVEST program	257,116	265,631
Cash equivalents in investments	<u>330,964</u>	<u>459,504</u>
Total cash and cash equivalents	<u><u>\$727,342</u></u>	<u><u>\$928,630</u></u>

Concentrations of risk:

Financial instruments that subject the Community Foundation to concentrations of credit risk include cash and investments. The Community Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC), however, the Community Foundation has not experienced any loss in such accounts. The Community Foundation believes it is not exposed to any significant credit risk on its cash balances. Investments are held by a broker in customer accounts which are protected against physical loss and broker bankruptcy by the Securities Investor Protection Corporation (SIPC).

The Community Foundation has significant investments in corporate bonds and government and agency bonds and is therefore subject to concentrations of credit risk. Investments in equity securities, mutual funds, and exchange-traded funds subject the Community Foundation to market risk. Investments are made by investment managers engaged by the Community Foundation in accordance with the Community Foundation's established investment policies. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Community Foundation.

Investments:

Investments in marketable securities and all investments in debt securities are reported at their fair values based on quoted prices in active markets. The Community Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value and are readily available for all investments of the Community Foundation. Unrealized gains and losses are included in the change in net assets. Realized gains and losses are determined using the specific identification method. Purchases and sales of securities are recorded on a trade-date basis.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, equipment and software:

Property, equipment and software are stated at cost and donated equipment is stated at the estimated market value. The Community Foundation capitalizes items with an initial cost or market value in excess of \$500. Depreciation is provided by the straight-line method based on an estimated life of 3-7 years for equipment, furniture and software and 40 years for buildings and improvements. Depreciation expense for the years ended December 31, 2019 and 2018 was \$7,269 and \$7,275, respectively.

Fair value measurements:

U.S. generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs in situations where markets do not exist or are illiquid and have the lowest priority. The Community Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Net assets:

All contributions, including those with donor-imposed restrictions, are subject to the variance power of the Community Foundation established in its governing documents. The variance power gives the Board of Directors the ability to modify donor restrictions that are incapable of fulfillment or inconsistent with the charitable needs of the community except where Court approval and review by the Pennsylvania Attorney General is required by a Charitable Fund Agreement, or required by any order or decree from a Court of competent jurisdiction. As a result of the variance power, all contributions are classified as net assets without donor restrictions for financial statement purposes.

The Community Foundation maintains its net assets without donor restrictions in accordance with original donor intent at the time of contribution. These classifications include amounts established as scholarship funds, field-of-interest funds, donor advised funds and designated funds.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment spending policy:

The Community Foundation anticipates distributions from each fund at least annually of an appropriate percentage of the fund's market value, as determined by the Community Foundation's investment and spending policy statement. In determining the annual distribution amount, the Community Foundation's board of directors may consider the expected total return on the investments of the Community Foundation's permanent funds, the desirability of maintaining the value of the Community Foundation's permanent funds, and any other factors that it deems relevant. Currently, spending is limited to 4.5% of market value based on a twenty-quarter trailing average policy. As a permanent endowment fund, all principal of the fund in excess of the spending limit will remain invested, and will not be distributed.

Contributions:

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restriction. Contributions are recorded at fair value at the date of donation.

Grants:

The Community Foundation records grants when all conditions stipulated by the grant have been substantially met. Grant cancellations and refunds of paid grants are recorded as they occur. Direct charitable service program expenses are recorded as incurred.

Income taxes:

The Community Foundation is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). However, income from certain activities not directly related to the Community Foundation's tax-exempt purpose may be subject to taxation as unrelated business income.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses:

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, payroll taxes, depreciation, office expenses, and various other, which are allocated on the basis of estimates of time and effort of employees and the intended purpose of the expenditures.

Subsequent events:

The Community Foundation has evaluated subsequent events through March 27, 2020, the date which the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

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

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$727,342	\$928,630
Contributions receivable	30,575	322,612
Other receivables, net	<u>4,361</u>	<u>4,852</u>
Financial assets, at year end	762,278	1,256,094
Less those unavailable for general expenditures:		
PA Treasury INVEST funds held for charitable funds	(257,116)	(265,631)
Investment cash held for charitable funds	(330,964)	(459,504)
Contributions receivable for charitable funds	<u>(30,575)</u>	<u>(322,612)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u><u>\$143,623</u></u>	<u><u>\$208,347</u></u>

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 3 - LIQUIDITY AND AVAILABILITY (continued)

The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. In addition, the Community Foundation may draw principal from charitable funds held in endowment designated for operating expenses of the Community Foundation, including the Jack Phillips Founders fund with a balance of \$615,111 and \$541,222 at December 31, 2019 and 2018, respectively.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of operating and charitable fund contributions. All contributions receivable are expected to be collected during the next year. Management has determined that the contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2019 and 2018.

NOTE 5 - INVESTMENTS

The Community Foundation's investments at December 31, 2019 and 2018 consist of funds designated as summarized below:

	<u>2019</u>	<u>2018</u>
Undesignated	\$14,370,857	\$11,567,339
Designated for agency endowment	<u>1,180,408</u>	<u>1,024,177</u>
Total	<u><u>\$15,551,265</u></u>	<u><u>\$12,591,516</u></u>

Realized and unrealized gains (losses) on the statement of activities consist of the following for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Net realized gains (losses)	\$124,689	\$1,511,482
Net unrealized gains (losses)	<u>2,023,907</u>	<u>(2,139,641)</u>
Total realized and unrealized gains (losses)	<u><u>\$2,148,596</u></u>	<u><u>(\$628,159)</u></u>

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5 - INVESTMENTS (continued)

Investment income on the statement of activities includes interest and dividend income and is reported net of manager, consultant and custodian fees of \$49,001 and \$46,091 for the years ended December 31, 2019 and 2018, respectively.

The Community Foundation uses the following methodologies for assets measured at fair value:

Mutual funds are valued at the net asset value (NAV) of shares held by the Community Foundation at year end. Equity securities are valued at the closing price reported on the active market on which the securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. No changes in the methodologies used were made in 2019 or 2018.

NOTE 6 - COMMUNITY LOANS

During 2017, the Community Foundation provided a \$30,000 zero-interest loan to an unrelated organization. At December 31, 2018, \$19,000 in loans were receivable from this unrelated organization. The loan was determined to be uncollectible in 2019 and was written off as a community loan write-off.

NOTE 7 - PROPERTY, EQUIPMENT AND SOFTWARE

Major classifications of property, equipment and software consists of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$38,246	\$38,246
Buildings and improvements	194,562	194,562
Equipment and fixtures	11,925	9,491
Software	<u>56,143</u>	<u>56,143</u>
	300,876	298,442
Less accumulated depreciation and amortization	<u>(80,008)</u>	<u>(72,739)</u>
Property, equipment and software	<u><u>\$220,868</u></u>	<u><u>\$225,703</u></u>

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 8 - FUNDS HELD AS AGENCY ENDOWMENTS

The Community Foundation maintains variance power and legal ownership of agency endowment funds, and as such, continues to report these funds as assets of the Community Foundation. In accordance with accounting principles generally accepted in the United States of America, when a nonprofit grants variance power and specifies themselves, or their affiliate as the beneficiary of the contributed assets, the recipient organization is precluded from accounting for this transaction as a contribution. As a result, the Community Foundation has established a liability for funds held as agency endowments, which is equivalent to the contributed assets' fair value and related earnings and distributions. Funds held as agency endowments totaled \$1,180,408 and \$1,024,177 at December 31, 2019 and 2018, respectively.

NOTE 9 - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2019 and 2018 are as follows:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2019:				
Stocks, options & ETFs	\$4,784,465	\$4,784,465	\$ -	\$ -
Fixed income securities	4,415,158	4,415,158	-	-
Mutual funds	<u>6,351,642</u>	<u>6,351,642</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$15,551,265</u>	<u>\$15,551,265</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2018:				
Stocks, options & ETFs	\$5,627,585	\$5,627,585	\$ -	\$ -
Fixed income securities	3,509,381	3,509,381	-	-
Mutual funds	<u>3,454,550</u>	<u>3,454,550</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$12,591,516</u>	<u>\$12,591,516</u>	<u>\$ -</u>	<u>\$ -</u>

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 10 - GRANTS AND SCHOLARSHIPS

Grants and scholarships approved and paid consist of the following for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Total distributions	\$1,835,172	\$1,279,771
Agency fund grant distributions	<u>(52,306)</u>	<u>(33,856)</u>
Grants and scholarships	<u><u>\$1,782,866</u></u>	<u><u>\$1,245,915</u></u>

NOTE 11 - RETIREMENT COSTS

The Community Foundation has a defined contribution plan (the Plan) covering all eligible employees. Effective January 1, 2019, the Plan contributes 3% of all eligible participants' compensation. Total expense for the years ended December 31, 2019 and 2018, was \$5,682 and none, respectively.

NOTE 12 - FUNCTIONAL EXPENSES

Functional expenses are as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
Program - grants and scholarships	\$1,782,866	82 %	\$1,245,915	80 %
Program - other	226,653	11	161,967	10
Administrative	95,010	4	82,013	5
Development	<u>73,705</u>	<u>3</u>	<u>73,100</u>	<u>5</u>
Total expenses	<u><u>\$2,178,234</u></u>	<u><u>100 %</u></u>	<u><u>\$1,562,995</u></u>	<u><u>100 %</u></u>

ADAMS COUNTY COMMUNITY FOUNDATION

SCHEDULES OF OPERATIONS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenue and other support:		
Contributions	\$56,362	\$39,241
Investment income	9,337	4,531
Grant and other transfers from endowment funds	32,045	33,791
Other income	19,081	15,299
Fund administration fee revenue	<u>242,961</u>	<u>212,576</u>
Total revenue and other support	<u>359,786</u>	<u>305,438</u>
Expenses:		
Program	189,859	145,162
Administrative	91,566	82,013
Development	<u>73,705</u>	<u>73,100</u>
Total expenses	<u>355,130</u>	<u>300,275</u>
Change in net assets from operations	<u><u>\$4,656</u></u>	<u><u>\$5,163</u></u>
Non-cash depreciation expense included above:	<u><u>\$7,269</u></u>	<u><u>\$7,275</u></u>

Schedule Notes:

The Schedule of Operations consists of only transactions of the general operating fund.

See independent auditors' report.