

ADAMS COUNTY COMMUNITY FOUNDATION, INC.

YEARS ENDED DECEMBER 31, 2020 AND 2019

ADAMS COUNTY COMMUNITY FOUNDATION
YEARS ENDED DECEMBER 31, 2020 AND 2019

CONTENTS

	Page
Independent auditors' report	1
Financial statements:	
Statements of financial position	3
Statements of activities	4
Statements of functional expenses	5
Statements of cash flows	7
Notes to financial statements	8
Supplementary information:	
Schedules of operations	18

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, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, 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.

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
April 12, 2021

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	ASSETS	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$996,359	\$727,342
Contributions receivable (Note 4)	6,139	30,575
Other receivables	2,818	4,361
Prepaid expenses	807	709
Investments, at fair value (Note 5)	17,989,628	15,551,265
Property, equipment and software, net (Note 6)	<u>216,310</u>	<u>220,868</u>
Total assets	<u>\$19,212,061</u>	<u>\$16,535,120</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$13,981	\$12,281
Funds held as agency endowments (Note 7)	<u>1,298,885</u>	<u>1,180,408</u>
Total liabilities	<u>1,312,866</u>	<u>1,192,689</u>
Net assets, all without donor restrictions	<u>17,899,195</u>	<u>15,342,431</u>
Total liabilities and net assets	<u>\$19,212,061</u>	<u>\$16,535,120</u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenue and other support:		
Contributions	\$2,886,396	\$1,987,886
Paycheck Protection Program loan forgiveness	53,200	-
Program fees	15,263	19,081
Investment income (Note 5):		
Interest, dividends and capital gain distributions	247,357	310,195
Realized and unrealized gains (losses)	2,113,818	2,148,596
Total revenue and other support, all without donor restrictions	5,316,034	4,465,758
Expenses:		
Program - grants and scholarships (Note 9)	2,347,446	1,782,866
Program - other	215,496	226,653
Administrative	120,393	95,010
Development	75,935	73,705
Total expenses	2,759,270	2,178,234
Change in net assets	2,556,764	2,287,524
Net assets, beginning of year, without donor restrictions	15,342,431	\$ 13,054,907
Net assets, end of year without donor restrictions	\$17,899,195	\$15,342,431

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

Program	2020			Total	2019 (memo) Total	
	Administrative	Development	Total			
Program grants	\$2,347,446	\$ -	\$ -	\$ -	\$2,347,446	\$1,782,866
Salaries and wages	115,936	52,656	51,220	103,876	219,812	204,553
Employee benefits	9,086	4,127	4,014	8,141	17,227	22,293
Retirement expense	5,447	2,474	2,407	4,881	10,328	5,682
Payroll taxes	10,593	4,811	4,680	9,491	20,084	18,743
Advertising	3,130	-	-	-	3,130	2,712
Community loan write-off	-	-	-	-	-	19,000
Bank Charges	-	3,233	-	3,233	3,233	3,444
Contracted services	-	15,688	-	15,688	15,688	6,291
Depreciation	3,518	2,966	414	3,380	6,898	7,269
Dues and subscriptions	2,326	1,145	-	1,145	3,471	4,678
Events and costs	43,561	-	-	-	43,561	42,123
Insurance	3,544	782	276	1,058	4,602	4,256
Meals and entertainment	155	154	-	154	309	510
Meetings and conferences	-	1,374	-	1,374	1,374	1,021
Office expense	1,123	1,124	144	1,268	2,391	3,609
Postage and shipping	689	123	721	844	1,533	2,198
Printing	11,918	-	11,917	11,917	23,835	20,239
Professional fees	-	26,546	-	26,546	26,546	15,137
Repairs and maintenance	1,220	1,220	-	1,220	2,440	5,856
Telephone	1,662	383	85	468	2,130	1,861
Travel	-	-	57	57	57	376
Utilities	1,588	1,587	-	1,587	3,175	3,517
Total expenses	\$2,562,942	\$120,393	\$75,935	\$196,328	\$2,759,270	\$2,178,234

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Supporting services			Total	Total
	Program	Administrative	Development		
Program grants	\$1,782,866	\$ -	\$ -	\$ -	\$1,782,866
Salaries and wages	108,688	46,044	49,821	95,865	204,553
Employee benefits	11,845	5,018	5,430	10,448	22,293
Retirement expense	3,019	1,279	1,384	2,663	5,682
Payroll taxes	9,959	4,219	4,565	8,784	18,743
Advertising	2,712	-	-	-	2,712
Community loan write-off	19,000	-	-	-	19,000
Bank Charges	-	3,444	-	3,444	3,444
Contracted services	-	6,291	-	6,291	6,291
Depreciation	3,697	3,141	431	3,572	7,269
Dues and subscriptions	3,134	1,544	-	1,544	4,678
Events and costs	42,123	-	-	-	42,123
Insurance	3,277	724	255	979	4,256
Meals and entertainment	255	255	-	255	510
Meetings and conferences	-	1,021	-	1,021	1,021
Office expense	1,696	1,696	217	1,913	3,609
Postage and shipping	989	176	1,033	1,209	2,198
Printing	10,120	-	10,119	10,119	20,239
Professional fees	-	15,137	-	15,137	15,137
Repairs and maintenance	2,928	2,928	-	2,928	5,856
Telephone	1,452	335	74	409	1,861
Travel	-	-	376	376	376
Utilities	1,759	1,758	-	1,758	3,517
Total expenses	\$2,009,519	\$95,010	\$73,705	\$168,715	\$2,178,234

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$2,556,764	\$2,287,524
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,898	7,269
Unrealized and realized gain on investments	(2,113,818)	(2,148,596)
Donation of investments	(71,755)	(101,502)
Community loan write-off	-	19,000
Loan forgiveness, Paycheck Protection Program	(53,200)	
(Increase) decrease in current assets:		
Receivables	25,979	292,528
Prepaid expenses	(98)	(33)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	1,700	(1,624)
Funds held as agency endowments	118,477	156,231
Net cash provided by operating activities	<u>470,947</u>	<u>510,797</u>
Cash flows from investing activities:		
Capital expenditures	(2,340)	(2,434)
Purchase of securities	(7,565,468)	(11,446,545)
Proceeds from sale of securities	7,312,678	10,736,894
Net cash used by investing activities	<u>(255,130)</u>	<u>(712,085)</u>
Net cash flows from financing activities, Paycheck Protection Program loan	<u>53,200</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	269,017	(201,288)
Cash and cash equivalents at beginning of year	<u>727,342</u>	<u>928,630</u>
Cash and cash equivalents at end of year	<u><u>\$996,359</u></u>	<u><u>\$727,342</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>\$71,755</u>	<u>\$101,502</u>

See notes to financial statements.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

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.

The Community Foundation is 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, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued):

Cash and cash equivalents consist of the following at December 31, 2020 and 2019:

	2020	2019
Cash in banks	\$134,462	\$139,262
Cash in PA Treasury INVEST program	421,648	257,116
Cash equivalents in investments	440,249	330,964
 Total cash and cash equivalents	 \$996,359	 \$727,342

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, 2020 AND 2019

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, 2020 and 2019 was \$ 6,898 and \$ 7,269, 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, 2020 AND 2019

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 assets 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.

FASB ASC 606 New Accounting Guidance Implementation:

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts from Customers, in the Accounting Standards Codifications (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognitions, and requires the recognitions of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, Other Assets and Deferred Costs-Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance."

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
FASB ASC 606 New Accounting Guidance Implementation (continued):

The Community Foundation adopted the requirements of the new guidance as of January 1, 2020, utilizing the full retrospective method of transition. Adoption of the new guidance resulted in changes to the accounting policies for revenue and cost recognition, previously described.

There was no difference to revenue and cost recognition-related account balances at December 30, 2019, under the new guidance as opposed to the prior guidance. Accordingly, no adjustment to beginning retained earnings was necessary. Differences due to FASB ASC 606 are deemed immaterial for the current year.

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.

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 April 12, 2021, the date which the financial statements were available to be issued.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$996,359	\$727,342
Contributions receivable	6,139	30,575
Other receivables, net	<u>2,818</u>	<u>4,361</u>
Financial assets, at year end	1,005,316	762,278
Less those unavailable for general expenditures:		
PA Treasury INVEST funds held for charitable funds	(421,648)	(257,116)
Investment cash held for charitable funds	(440,249)	(330,964)
Contributions receivable for charitable funds	<u>(6,139)</u>	<u>(30,575)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$137,280</u>	<u>\$143,623</u>

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.

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, 2020 and 2019.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 - INVESTMENTS

The Community Foundation's investments at December 31, 2020 and 2019 consist of funds designated as summarized below:

	<u>2020</u>	<u>2019</u>
Undesignated	\$16,690,743	\$14,370,857
Designated for agency endowment	<u>1,298,885</u>	<u>1,180,408</u>
Total	<u>\$17,989,628</u>	<u>\$15,551,265</u>

Realized and unrealized gains (losses) on the statement of activities consist of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Net realized gains (losses)	\$547,720	\$124,689
Net unrealized gains (losses)	<u>1,566,098</u>	<u>2,023,907</u>
Total realized and unrealized gains (losses)	<u>\$2,113,818</u>	<u>\$2,148,596</u>

Investment income on the statement of activities includes interest and dividend income and is reported net of manager, consultant and custodian fees of \$46,359 and \$49,001 for the years ended December 31, 2020 and 2019, 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 2020 or 2019.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6 - PROPERTY, EQUIPMENT AND SOFTWARE

Major classifications of property, equipment and software consists of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$38,246	\$38,246
Buildings and improvements	195,402	194,562
Equipment and fixtures	13,425	11,925
Software	<u>56,143</u>	<u>56,143</u>
	303,216	300,876
Less accumulated depreciation and amortization	<u>(86,906)</u>	<u>(80,008)</u>
Property, equipment and software	<u><u>\$216,310</u></u>	<u><u>\$220,868</u></u>

NOTE 7 - 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 \$1,298,885 and \$1,180,408 at December 31, 2020 and 2019, respectively.

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2020 and 2019 are as follows:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2020:				
Stocks, options & ETFs	\$3,379,620	\$3,379,620	\$ -	\$ -
Fixed income securities	4,995,212	4,995,212	-	-
Mutual funds	<u>9,614,796</u>	<u>9,614,796</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$17,989,628</u>	<u>\$17,989,628</u>	<u>\$ -</u>	<u>\$ -</u>
	<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>

NOTE 9 - GRANTS AND SCHOLARSHIPS

Grants and scholarships approved and paid consist of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Total distributions	\$2,404,946	\$1,835,172
Agency fund grant distributions	<u>(57,500)</u>	<u>(52,306)</u>
Grants and scholarships	<u>\$2,347,446</u>	<u>\$1,782,866</u>

ADAMS COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 10 - RETIREMENT COSTS

The Community Foundation has a defined contribution plan (the Plan) covering all eligible employees. Effective January 1, 2020, the Plan contributes 5% of all eligible participants' compensation. Total expense for the years ended December 31, 2020 and 2019, was \$10,328 and \$5,682, respectively.

NOTE 11 - FUNCTIONAL EXPENSES

Functional expenses are as follows for the years ended December 31, 2020 and 2019:

	2020		2019	
Program - grants and scholarships	\$2,347,446	85 %	\$1,782,866	83 %
Program - other	215,496	8	226,653	10
Administrative	120,393	4	95,010	4
Development	75,935	3	73,705	3
	\$2,759,270		\$2,178,234	
Total expenses	100 %		100 %	

NOTE 12 - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Community Foundation secured and received funding totaling \$53,200 from the Paycheck Protection Program, a government program authorizing loans to small businesses to cover payroll costs, rent and utility costs over a twenty-four week period. The loan was forgiven in December 2020 as all funds from the loan were used to cover payroll costs incurred during 2020.

ADAMS COUNTY COMMUNITY FOUNDATION
SCHEDULES OF OPERATIONS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenue and other support:		
Contributions	\$81,198	\$56,362
Investment income	2,390	9,337
Grant and other transfers from endowment funds	26,921	32,045
Other income	25,444	19,081
Paycheck Protection Program loan forgiveness	53,200	-
Fund administration fee revenue	256,728	242,961
Total revenue and other support	445,881	359,786
Expenses:		
Program	202,861	189,859
Administrative	117,160	91,566
Development	75,935	73,705
Total expenses	395,956	355,130
Change in net assets from operations	\$49,925	\$4,656
Non-cash depreciation expense included above:	\$6,898	\$7,269

Schedule Notes:

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

See independent auditors' report.