

MILES OF HOPE BREAST CANCER FOUNDATION, INC.  
LAGRANGEVILLE, NEW YORK

FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

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**DECEMBER 31, 2018 AND 2017**

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*An Independent Member of the BDO Alliance USA*

## **Independent Auditor's Report**

To the Board of Directors  
Miles of Hope Breast Cancer Foundation, Inc.  
LaGrangeville, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Miles of Hope Breast Cancer Foundation, Inc. which comprise the statements of financial position as of December 31, 2018 and 2017, 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 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.

**Emphasis of Matter**

As discussed in Note 6, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miles of Hope Breast Cancer, Inc. as of December 31, 2018 and 2017, and the changes in the net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*JGS, CPA, P.C.*

September 26, 2019

**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

<b>ASSETS:</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>CURRENT ASSETS:</u></b>		
Cash and Cash Equivalents	165,796	155,097
Promises to Give	2,500	2,680
Accounts Receivable	0	2,000
Prepaid Expenses	1,113	1,172
Prepaid Insurance	474	389
Total Current Assets	<u>169,883</u>	<u>161,338</u>
<b><u>INVESTMENTS:</u></b>		
Investments at Community Foundation (at market value)	1,724,894	1,889,054
<b><u>FIXED ASSETS - NET:</u></b>	<u>785</u>	<u>53</u>
<b>TOTAL ASSETS</b>	<b><u><u>1,895,562</u></u></b>	<b><u><u>2,050,445</u></u></b>
 <b>LIABILITIES AND NET ASSETS:</b>		
<b><u>CURRENT LIABILITIES:</u></b>		
Accounts Payable	838	1,326
Deferred Revenue	0	1,000
Total Current Liabilities	<u>838</u>	<u>2,326</u>
<b><u>NET ASSETS:</u></b>		
Net Assets without Donor Restrictions	<u>1,894,724</u>	<u>2,048,119</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>1,895,562</u></u></b>	<b><u><u>2,050,445</u></u></b>

**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31,**

<b><u>NET ASSETS WITHOUT DONOR RESTRICTIONS:</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Revenue and Support:</b>		
Fundraising and Events	365,500	377,931
Donated Event Items	46,133	46,268
Less: Cost of Direct Benefits to Donors	<u>(100,983)</u>	<u>(109,748)</u>
Net Fundraising and Events	310,650	314,451
Contributions	88,747	94,350
Investment Income	39,247	39,628
Unrealized Gain (Loss) in Fair Market Value of Investments	<u>(180,492)</u>	<u>189,457</u>
Total Revenue and Support	258,152	637,886
<b>Net Assets Released from Restrictions</b>	<u>47,550</u>	<u>40,398</u>
<b>TOTAL REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS</b>	<u>305,702</u>	<u>678,284</u>
<b><u>EXPENSES:</u></b>		
Program Expenses	282,171	278,230
Administrative Expenses	107,563	99,265
Fundraising Expenses	<u>69,363</u>	<u>57,796</u>
Total Expenses	459,097	435,291
<b>INCREASE (DECREASE) NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(153,395)	242,993
<b><u>NET ASSETS WITH DONOR RESTRICTION:</u></b>		
Grants	47,550	40,398
Net Assets Released From Restrictions	<u>(47,550)</u>	<u>(40,398)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>0</u>	<u>0</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(153,395)</u>	<u>242,993</u>
<b><u>CHANGES IN NET ASSETS:</u></b>		
Net Assets Without Donor Restrictions		
Beginning balance, January 1,	2,048,119	1,805,126
Increase (Decrease) for Year	<u>(153,395)</u>	<u>242,993</u>
Ending balance, December 31,	<u>1,894,724</u>	<u>2,048,119</u>

**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program Expenses</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2017 Total</u>
Event Expenses	2,495	0	0	2,495	9,458
Medical Gap Care Programs	183,125	0	0	183,125	180,000
Complimentary Medicine	8,800	0	0	8,800	5,125
Peer to Peer Program	18,000	0	0	18,000	15,000
Scholarships Program	12,600	0	0	12,600	15,000
Salary Expense	25,978	66,877	47,287	140,142	126,762
Payroll Taxes	2,144	5,163	3,686	10,993	10,248
Professional Fees	0	11,051	5,119	16,170	9,764
Investment Fees	15,334	0	0	15,334	14,218
Insurance	0	12,554	0	12,554	11,674
Advertising	4,739	0	3,280	8,019	4,569
Travel Expense	2,437	2,437	2,438	7,312	7,206
Website Expense	2,440	5,695	0	8,135	11,033
Office Expense	4,079	3,340	7,553	14,972	15,128
Depreciation Expense	0	446	0	446	106
<b>Total Expenses</b>	<b>282,171</b>	<b>107,563</b>	<b>69,363</b>	<b>459,097</b>	<b>435,291</b>
<b>Functional Expenses % of Total</b>	<b>61%</b>	<b>23%</b>	<b>15%</b>	<b>100%</b>	

**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b><u>Program</u></b> <b><u>Expenses</u></b>	<b><u>Management</u></b> <b><u>&amp; General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Event Expenses	9,458	0	0	9,458
Medical Gap Care Programs	180,000	0	0	180,000
Complimentary Medicine	5,125	0	0	5,125
Peer to Peer Program	15,000	0	0	15,000
Scholarships Program	15,000	0	0	15,000
Salary Expense	24,720	59,538	42,504	126,762
Payroll Taxes	1,999	4,813	3,436	10,248
Professional Fees	0	9,717	47	9,764
Investment Fees	14,218	0	0	14,218
Insurance	0	11,674	0	11,674
Advertising	3,146	0	1,423	4,569
Travel Expense	2,402	2,402	2,402	7,206
Website Expense	3,310	7,723	0	11,033
Office Expense	3,852	3,292	7,984	15,128
Depreciation Expense	0	106	0	106
<b>Total Expenses</b>	<b>278,230</b>	<b>99,265</b>	<b>57,796</b>	<b>435,291</b>
<b>Functional Expenses % of Total</b>	<b>64%</b>	<b>23%</b>	<b>13%</b>	<b>100%</b>



**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	2018	2017
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	(153,395)	242,993
<u>Adjustments to Reconcile Change in Net Assets</u>		
<u>to Net Cash Provided By Operating Activities:</u>		
Unrealized (Gain) Loss in Fair Market Value of Investments	180,492	(189,457)
Depreciation	446	106
<u>Changes in Assets and Liabilities:</u>		
Promises to Give	180	(2,680)
Accounts Receivable	2,000	(2,000)
Prepaid Expense	59	108
Prepaid Insurance	(85)	213
Accounts Payable	(488)	(7,065)
Deferred Revenue	(1,000)	1,000
Total Adjustments	181,604	(199,775)
Net Cash Provided By Operating Activities	28,209	43,218
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Decrease in Investment Funds, net	(16,332)	(11,284)
Acquisition of Property & Equipment	(1,178)	0
Net Cash Used In Investing Activities	(17,510)	(11,284)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>	0	0
<b>NET INCREASE IN CASH</b>	10,699	31,934
<b>CASH &amp; CASH EQUIVALENTS - BEGINNING</b>	155,097	123,163
<b>CASH &amp; CASH EQUIVALENTS - ENDING</b>	165,796	155,097
<b>SUPPLEMENTARY DISCLOSURES:</b>		
Cash Paid For:		
Interest	0	0
Income Taxes	0	0

**MILES OF HOPE BREAST CANCER FOUNDATION, INC.**  
**LAGRANGEVILLE, NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Miles of Hope Breast Cancer Foundation, Inc. (the "Foundation") is a New York not-for-profit corporation that was formed on May 28, 2004. It provides funding to non-profit organizations for support services and outreach for people affected by breast cancer in the Hudson Valley, New York area. The Foundation is supported mainly through fundraising events and contributions.

**Income Taxes**

The Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code

**Basis of Accounting**

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Organization maintains its net assets under the following two classes:

- Without donor restrictions - represents resources available for support of the Foundation's operations over which the Board of Directors (the Board) has discretionary control. Such net assets include \$1,894,724 and \$2,048,119 at December 31, 2018 and 2017, respectively.
- With donor restrictions - represents assets resulting from contributions whose use by the Foundation is limited by donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.
- With donor restrictions also represents gifts and bequests received subject to donor-imposed stipulations that they be maintained intact in perpetuity by the Foundation. Net assets with donor restriction in perpetuity include investments and the beneficial interest in perpetual trust. The Foundation had no such net assets for the years ending December 31, 2018 and 2017.

**Revenue Recognition**

All contributions and grants received are recorded as with or without donor restriction, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. The Foundation has not received any support that would be classified as net assets with donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Cash and Cash Equivalents**

For purposes of the statement of cash flow, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

## **NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

### **Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Promises to give for the years ended December 31, 2018 and 2017 were \$2,500 and \$2,680, respectively.

The Foundation uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible promises to give at December 31, 2018 and 2017.

### **Property and Equipment**

Property and equipment are stated at cost. Expenditures for repairs and maintenance are charged to expense, and renewals and replacements are capitalized. Depreciation for financial reporting purposes is provided on the estimated useful lives of the assets using straight-line and declining balance methods whose results approximate those required for accounting principles generally accepted in the United States of America.

### **Investments**

The Foundation has adopted FASB ASC 958-320-50 which requires entities to report investments in the statement of financial position at fair value and report realized and unrealized gains and losses in the statement of activities and changes in net assets.

### **Donated Materials, Services, and Facilities**

During the years ended December 31, 2018 and 2017, the value of contributed materials, services, and facilities meeting the requirements for recognition in the financial statements was \$46,133 and \$46,268, respectively.

### **Concentration of Credit Risk**

The Foundation maintains demand deposits with financial institutions. From time to time, cash balances in these accounts may exceed federally insured limits. At December 31, 2018 and 2017 there were no cash balances over the FDIC limit.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions 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.

### **Fair Value of Financial Instruments**

The Foundation has a number of financial instruments, none of which are held for trading purposes. The Foundation estimates that the fair value of all financial instruments at December 31, 2018 and 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Foundation using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Foundation could realize in a current market exchange.

## **NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

### **Advertising Costs**

The Foundation expenses the costs of advertising and promotions over the period the advertising is in effect. Advertising expenses for the years ended December 31, 2018 and 2017 was \$8,019 and \$4,569, respectively.

### **Functional Expenses**

Functional expenses include direct expenses incurred by programs. All other expenses are deemed to be for administrative or fundraising purposes.

### **Programs**

For the years ended December 31, 2018 and 2017 the Foundation's major programs consisted of the following:

- Scholarships for area high school seniors whose lives have been affected by breast cancer.
- Medical Gap Care Fund for individuals who are faced with life emergencies and/or costs not covered by health insurance while they are undergoing treatment for breast cancer.
- Peer to Peer is a program uniting recently diagnosed breast cancer patients with trained survivors.

### **Reclassifications**

Certain items in the financial statements dated December 31, 2017 amounts have been reclassified to conform to the presentation of the financial statement dated December 31, 2018.

### **Subsequent Events**

These financial statements have evaluated subsequent events through September 26, 2019 the date the financial statements were available to be issued.

## **NOTE 2 - ENDOWMENT FUNDS**

### **General Details**

The Foundation's endowment consists of Board-designated funds established generally to support the Foundation's stated missions and various programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions. As of December 31, 2018 and 2017, the Foundation did not have any donor restricted endowment funds. As such, the Board designated endowment funds are classified as unrestricted net assets.

## NOTE 2 - ENDOWMENT FUNDS - CONT'D

<b>Endowment Funds are comprised as follows:</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Miles of Hope Breast Cancer Foundation Fund	1,428,459	1,621,262
Miles of Hope Robin's Fund	26,027	33,679
Betty Howard Fund	22,386	28,504
Grant Fund	180,728	143,705
Dana Efron Scholarship	38,953	36,344
Michael Benecke Scholarship Fund	12,137	13,337
Betty Benecke Fund	13,519	11,669
Scholarship Fund	2,685	554
Total Endowment Funds	<u>1,724,894</u>	<u>1,889,054</u>
<b>Changes in Endowment Funds are as follows:</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Endowment Net Assets, Beginning of Year:	1,889,054	1,688,313
Investment Return:		
Investment Income	39,184	39,560
Net Unrealized Gain (Loss)	(180,492)	189,457
Total Net Investment Return:	<u>(141,308)</u>	<u>229,017</u>
Transfers to Endowment Fund	260,500	245,050
Appropriation of Endowment Assets for Expenditure:	<u>(283,352)</u>	<u>(273,326)</u>
Endowment Funds, End of Year:	<u>1,724,894</u>	<u>1,889,054</u>

### Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are held by third parties who invest the assets in a manner that is intended to produce results that exceed the price and yield results of respective industry benchmarks while assuming a moderate level of investment risk. The Foundation has no formal expectations for its endowment funds' performance, but it is anticipated to achieve a stable and healthy rate of return from year to year.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital gain appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objective within prudent risk constraints. Specifically, the Foundation utilizes an overall portfolio diversification of approximately 70% equity and 30% fixed income securities comprising the endowment funds.

## **NOTE 2 - ENDOWMENT FUNDS - CONT'D**

### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has no formal spending policy; however, the Foundation generally expends all investment earnings and realized gains it receives on program activities. Because the endowment funds are not comprised of any donor-restricted assets, the principal and all earnings are classified as without donor restriction net assets. Therefore, the entirety of the endowment funds are available for the broad purpose of the Foundation's mission. Distributions are made at the discretion of the Board of Directors when determining the annual budget, which makes considerations for the long-term expected returns. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to continue to grow annually while satisfying the needs of the community at large. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment returns.

## **NOTE 3 - FAIR VALUE MEASUREMENT**

Select categories of the Foundation's assets are classified by Fair Value Measurements which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

1. Level 1 inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
2. Level 2 inputs to the valuation methodology include:
  - i. Quoted prices for similar assets or liabilities in active markets;
  - ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
  - iii. Inputs other than quoted market prices that are observable for the asset or liability;
  - iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

3. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Endowment Funds: Valued at the net asset value ("NAV") of shares held by the Foundation at year end.

### NOTE 3 - FAIR VALUE MEASUREMENT CONT'D

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. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018:

	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Domestic Equity Investments	776,744	0	0	776,744
International Equity Investments	410,089	0	0	410,089
Income Investments	321	0	0	321
Dimensional Money Market	537,740	0	0	537,740
Total Investments	<u>1,724,894</u>	<u>0</u>	<u>0</u>	<u>1,724,894</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Domestic Equity Investments	875,730	0	0	875,730
International Equity Investments	492,197	0	0	492,197
Income Investments	220	0	0	220
Dimensional Money Market	520,907	0	0	520,907
Total Investments	<u>1,889,054</u>	<u>0</u>	<u>0</u>	<u>1,889,054</u>

#### **NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2018 and 2017, there were no net assets with donor restriction.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors as follows:

	<u>2018</u>	<u>2017</u>
Bonnie's Boxes	0	848
Millbrook Tribute Garden	15,000	15,000
Jane W. Nuhn Trust	6,050	0
Restricted Income	<u>26,500</u>	<u>24,550</u>
Total Net Assets Released From Restrictions	<u><u>47,550</u></u>	<u><u>40,398</u></u>

#### **NOTE 5 - INFORMATION ON LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization regularly monitors liquidity to insure it can meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various liquidity sources available, including cash and cash equivalents.

In addition to the financial assets available to meet expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general operating expense for the period.

As of December 31, 2018, the following table shows the financial assets held by the Foundation that could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2018</u>
Cash and Cash Equivalents	165,796
Promises to Give	2,500
Investments at Community Foundation (at market value)	<u>1,724,894</u>
Total Financial Assets at Year-End	1,893,190
Less Assets with Board Designated Restrictions	<u>1,727,394</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>165,796</u></u>



## **NOTE 6 - RECENT ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued ASU No. 2016-02, Leases. ASU No. 2016-02 requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than twelve months on its balance sheet. This update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2020, with earlier application permitted. This update will be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The organization is in the process of evaluating the impact of this guidance on its financial statements.

### **Change in Accounting Standard**

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, with the purpose of improving financial reporting by not-for-profit (NFP) entities.

ASU 2016-14 changes the presentation and accounting for not-for-profit Foundation's financial statements including:

- Reducing the number of classes of net assets from three to two (net assets with donor restriction and net assets without donor restriction);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return, as well as, reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding an organization's liquidity and availability of resources (Note 5), and;
- Accounting for underwater endowment funds.

ASU 2016 - 14 is effective for the Foundation's year ended December 31, 2018 and was applied retrospectively with the exception of the disclosures regarding liquidity and availability of resources, which are presented for the current year only. There was no effect on total net assets or change in net assets as a result of the adoption of this standard.