

**ADIRONDACK FOUNDATION**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2022 AND 2021**

## ADIRONDACK FOUNDATION

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees of  
Adirondack Foundation  
Lake Placid, New York

### Opinion

We have audited the accompanying financial statements of Adirondack Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Adirondack Foundation as of June 30, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Adirondack Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Adirondack Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.


## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Adirondack Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Adirondack Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

  
Pawel Mucenski Hooper Van House & Co.  
Certified Public Accountants, P.C.

October 10, 2022

**ADIRONDACK FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2022 AND 2021**

	<u>6/30/2022</u>	<u>6/30/2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 838,360	\$ 1,302,942
Investments	77,826,223	87,690,922
Unconditional Promises to Give (Net)	2,403,668	1,390,469
Property and Equipment (Net)	241,599	251,039
Other Assets	<u>24,753</u>	<u>62,528</u>
<b>TOTAL</b>	<u>\$ 81,334,603</u>	<u>\$ 90,697,900</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Other Current Liabilities	\$ 17,667	\$ 23,900
Grants Payable	144,200	86,280
Funds Held as Organization Endowments	7,916,656	9,411,243
Funds Held for Supporting Organizations	<u>15,582,003</u>	<u>19,374,126</u>
Total Liabilities	<u>23,660,526</u>	<u>28,895,549</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions	57,051,458	61,105,063
With Donor Restrictions	<u>622,619</u>	<u>697,288</u>
Total Net Assets	<u>57,674,077</u>	<u>61,802,351</u>
<b>TOTAL</b>	<u>\$ 81,334,603</u>	<u>\$ 90,697,900</u>

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

**ADIRONDACK FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL 6/30/2022
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 13,403,243	\$ -	\$ 13,403,243
Investment Return (Net)	(10,197,018)	(36,652)	(10,233,670)
Supporting Fees	151,129	-	151,129
Nonprofit Leadership Tuition and Underwriting	8,429	-	8,429
Contributed Office Space	-	20,759	20,759
Net Assets Released from Restriction	58,776	(58,776)	-
Total Revenues, Gains, and Other Support	<u>3,424,559</u>	<u>(74,669)</u>	<u>3,349,890</u>
<b>EXPENSES</b>			
Program Services	6,726,774	-	6,726,774
Management and General	402,603	-	402,603
Development	374,938	-	374,938
Total Expenses	<u>7,504,315</u>	<u>-</u>	<u>7,504,315</u>
<b>CHANGE IN NET ASSETS</b>	(4,079,756)	(74,669)	(4,154,425)
<b>NET ASSETS - Beginning of Year</b>	61,105,063	697,288	61,802,351
<b>Fund Reclassified as Organization Endowment</b>	26,151	-	26,151
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 57,051,458</u>	<u>\$ 622,619</u>	<u>\$ 57,674,077</u>

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

**ADIRONDACK FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL 6/30/2021</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 11,748,364	\$ -	\$ 11,748,364
Investment Return (Net)	12,059,574	55,071	12,114,645
Supporting Fees	136,653	-	136,653
Nonprofit Leadership Tuition and Underwriting	18,436	-	18,436
Contributed Office Space	-	21,676	21,676
COVID-19 Relief Funding	146,500	-	146,500
Net Assets Released from Restriction	<u>58,850</u>	<u>(58,850)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>24,168,377</u>	<u>17,897</u>	<u>24,186,274</u>
<b>EXPENSES</b>			
Program Services	5,801,478	-	5,801,478
Management and General	300,057	-	300,057
Development	<u>364,351</u>	<u>-</u>	<u>364,351</u>
Total Expenses	<u>6,465,886</u>	<u>-</u>	<u>6,465,886</u>
<b>CHANGE IN NET ASSETS</b>	17,702,491	17,897	17,720,388
<b>NET ASSETS - Beginning of Year</b>	<u>43,402,572</u>	<u>679,391</u>	<u>44,081,963</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 61,105,063</u>	<u>\$ 697,288</u>	<u>\$ 61,802,351</u>

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

**ADIRONDACK FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Development</u>	<u>TOTAL 6/30/2022</u>
Salaries	\$ 378,445	\$ 220,991	\$ 268,473	\$ 867,909
Payroll Related Costs and Employee Benefits	56,595	33,048	40,149	129,792
Grants	6,067,781	-	-	6,067,781
Accounting and Legal	-	16,650	-	16,650
Advertising	34,427	-	-	34,427
Annual Report	13,125	-	4,375	17,500
Bank Fees	-	5,980	-	5,980
Conferences and Travel	1,140	1,548	3,903	6,591
Contract Services	42,046	27,117	930	70,093
Depreciation	4,357	2,542	2,542	9,441
Dues and Fees	-	12,222	-	12,222
Program Development	51,000	-	-	51,000
Fund Development	1,700	-	12,692	14,392
Insurance	2,698	1,574	1,574	5,846
Meeting Expense	3,319	6,365	721	10,405
Newsletter	4,750	-	-	4,750
Office Expense	35,480	20,697	20,697	76,874
Postage and Shipping	2,681	1,823	2,623	7,127
Premiums for Planned Gifts	-	35,548	-	35,548
Professional Development	-	-	-	-
Public Relations	2,217	-	650	2,867
Rent	18,462	10,769	10,769	40,000
Special Events	150	809	-	959
Telephone and Utilities	3,747	2,186	2,186	8,119
Website	2,654	2,734	2,654	8,042
	<u>\$ 6,726,774</u>	<u>\$ 402,603</u>	<u>\$ 374,938</u>	<u>\$ 7,504,315</u>

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



**ADIRONDACK FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Development</u>	<u>TOTAL 6/30/2021</u>
Salaries	\$ 342,820	\$ 153,477	\$ 240,235	\$ 736,532
Payroll Related Costs and Employee Benefits	60,597	20,131	26,229	106,957
Grants	5,161,198	-	-	5,161,198
Accounting and Legal	-	15,400	-	15,400
Advertising	41,008	-	9,697	50,705
Annual Report	13,125	-	4,375	17,500
Bank Fees	15	5,772	-	5,787
Conferences and Travel	1,540	4,797	142	6,479
Contract Services	13,410	20,712	26,320	60,442
Depreciation	4,281	2,329	2,831	9,441
Dues and Fees	-	11,299	-	11,299
Program Development	77,124	-	-	77,124
Fund Development	45	170	5,586	5,801
Insurance	1,377	2,705	910	4,992
Meeting Expense	2,390	246	616	3,252
Newsletter	5,325	-	1,775	7,100
Office Expense	31,642	17,918	20,926	70,486
Postage and Shipping	4,180	2,774	871	7,825
Premiums for Planned Gifts	-	20,146	-	20,146
Professional Development	-	3,995	-	3,995
Public Relations	12,100	-	419	12,519
Rent	18,139	9,866	11,995	40,000
Special Events	-	-	2,700	2,700
Telephone and Utilities	3,441	1,871	2,275	7,587
Website	7,721	6,449	6,449	20,619
	<u>\$ 5,801,478</u>	<u>\$ 300,057</u>	<u>\$ 364,351</u>	<u>\$ 6,465,886</u>

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

**ADIRONDACK FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	6/30/2022	6/30/2021
<b>OPERATING ACTIVITIES</b>		
Cash Inflows from Operations		
Contributions	\$ 9,104,702	\$ 5,848,567
Interest and Dividends	3,776,935	2,299,889
Other Cash Receipts	-	28,102
Cash Outflows from Operations		
Payments for Salaries, Benefits, and Payroll Taxes	(997,701)	(843,489)
Payments to Vendors	(466,993)	(496,554)
Payments of Grants	(7,034,009)	(5,970,416)
Net Cash Provided from Operations	4,382,934	866,099
<b>INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	13,880,166	43,681,631
Purchase of Investments	(18,727,682)	(44,345,598)
Net Investing Activities	(4,847,516)	(663,967)
<b>Change in Cash and Cash Equivalents</b>	(464,582)	202,132
<b>Cash and Cash Equivalents - Beginning of Year</b>	1,302,942	1,100,810
<b>Cash and Cash Equivalents - END OF YEAR</b>	\$ 838,360	\$ 1,302,942
<b>SUPPLEMENTAL DISCLOSURES</b>		
<b>NONCASH OPERATING ACTIVITIES</b>		
Contribution of Securities	\$ 3,691,569	\$ 5,568,190
Contribution of Office Space	\$ 20,759	\$ 21,676

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

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

Adirondack Foundation (the Foundation) is a corporation organized under the Not-For-Profit Corporation Law of the State of New York in July 1997. The Foundation was established as a community foundation formed to receive gifts and bequests from the public and to administer them for the broad charitable needs of the Adirondack region. The Foundation was formerly known as Adirondack Community Trust (ACT).

As an experienced grant maker in the region, the Foundation knows the many and varied needs of local nonprofit organizations and their capacity to deliver quality programs and services to the region. Its mission is to “enhance the lives of people in the Adirondacks through philanthropy” which is accomplished by:

- Building a permanent and flexible endowment that can respond to the most pressing current and future needs of the Adirondack Region;
- Working with donors and their advisors to design named funds that meet the unique and individual charitable objectives of the donor;
- Administering a responsive program of grantmaking to give maximum benefit to charitable needs within the Adirondack Region and carry out the wishes of donors;
- Providing prudent management and faithful stewardship of philanthropic assets; and
- Being a leader and catalyst focusing attention on the needs of the Adirondack Region.

Adirondack Foundation’s vision is that against a backdrop of scenic beauty, our communities are strong, just and inclusive; family wellbeing is supported through quality healthcare, education, and economic opportunity; nature is valued and protected; and arts and culture thrive.

**Basis of Accounting**

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

**Estimates**

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues, gains, other support, and expenses during the reporting period. Actual results could differ from those estimates.

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation**

The net assets of the Foundation and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** are resources available to support operations and may consist of both undesignated funds and Board designated funds.

Board-designated donor-advised funds are established by donors who desire to further the purposes of the Foundation. The donor of a donor-advised fund may, after the contribution has been made, recommend agencies to the Foundation to which donor-advised funds should be disbursed.

The Board of Trustees evaluates and considers all donor recommendations. However, the ultimate decision of the distribution of those funds rests solely with the Board of Trustees as required by New York State Law and Adirondack Foundation governing instruments (variance power). Accordingly, the financial statements classify all net assets as without donor restriction, except assets with donor-imposed stipulations where no variance power exists. The portions held as donor-advised or endowment funds are presented as Board-Designated. (See Note K.)

- **Net Assets With Donor Restrictions** are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Foundation must continue to use the resources in accordance with the donor's instructions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. These reclassifications are reported in the statements of activities as net assets released from restrictions. (See Note K.)

**Cash and Cash Equivalents**

The Foundation considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents, except for those held by investment managers, which are considered to be investments.

**Investments**

Investments are carried at fair value. Publicly traded investments are stated at fair value based on quoted market values. Non-publicly traded investments are stated at values provided by the investment custodians. Investments in cash management funds are stated at cost, which approximates fair value.

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments (Continued)**

Other investments consist of investments benefitting community development that are consistent with the mission and values of the Foundation. These investments are made primarily through loans to domestic intermediaries, such as community development organizations, and also include insured deposits in credit unions and banks. These entities use the proceeds to support efforts aligned with the community impact and financial criteria established by the Foundation.

The Foundation maintains an investment pool for its charitable funds. Interest, dividends, and realized and unrealized gains and losses from investments are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of all the pooled funds, as adjusted for additions to or deductions from the pool.

A portion of the investment pool has been invested in an indexed portfolio that is only available to qualified donors meeting minimum contribution requirements.

To meet the needs of flexible, donor-advised fundholders who have a two to five year investment time horizon, the Adirondack Foundation offers an Intermediate Investment Pool. This pool, through an asset allocation of 30% Equity and 70% Fixed Income, has a lower risk profile, to better align with these fundholders' investment horizons.

**Property and Equipment (Net)**

Property and equipment are reported at cost, net of accumulated depreciation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is credited or charged to the change in net assets.

Donations of fixed assets are recorded as support at their estimated fair value. Absent donor stipulations regarding the length of time that donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions as the restrictions expire.

Depreciation is provided over the depreciable assets' estimated useful lives utilizing the straight-line method, as follows:

<u>Asset Class</u>	<u>Years</u>
Leasehold Improvements	20 – 39
Furniture and Fixtures	5 – 7
Software	3

## ADIRONDACK FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Funds Held as Organization Endowments and for Supporting Organizations**

Adirondack Foundation has established organization endowment funds for contributions from donors that are specified to be released to another beneficiary other than the Foundation. Liabilities have been established for the fair value of these funds.

##### **Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. Gifts of publicly traded securities are recorded at their fair value at the date the contribution is received. Publicly traded securities will generally be sold immediately.

##### **Gifts-In-Kind Contributions**

Donated use of facilities is reported as a contribution and as expense at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of the gift, and the expense is reported over the term of the use.

##### **Other Revenues**

Supporting fees are unrestricted revenues from providing fund management and investment services. These revenues are charged on a quarterly basis as earned, in accordance with the applicable fund agreement.

##### **Functional Allocation of Expenses**

The cost of providing programs and services is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses directly supporting programs run or administered by the Foundation are allocated directly to program expenses. Costs common to multiple functions have been allocated among various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries, benefits, and payroll taxes are allocated based on time spent as tracked by time keeping software.
- Telephone, internet, office supplies, occupancy, depreciation, and other expenses that are more general or overhead related are allocated based on headcount within each functional area.

##### **Advertising Costs**

Advertising costs are charged to expense as incurred. Advertising expense for the years ended June 30, 2022 and 2021 was \$ 34,427 and \$ 50,705, respectively.

**ADIRONDACK FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

Adirondack Foundation is exempt from federal tax on income under Section 501(c)(3) of the Internal Revenue Code. A similar exemption has been received from New York State. The Foundation has been classified as a publicly-supported organization that is not a private foundation under Section 509(a)(1) of the Code.

Accounting principles generally accepted in the United States of America require the Foundation to evaluate all significant tax positions. As of June 30, 2022 the Foundation does not believe that it has taken any positions that would require the recording of any tax liability, nor does it believe that there are any unrealized tax benefits that should be recorded.

**Accounting Pronouncements Adopted**

The Foundation adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in ASU 2020-07 address stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. ASU 2020-07 requires NFPs to present contributed nonfinancial assets (gifts-in-kind) as a separate line item in the statement of activities. The Foundation has adopted this ASU on the retrospective basis as of and for the year ended June 30, 2022.

Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes gifts-in-kind, and therefore, no changes to net assets were required as of July 1, 2020. The presentation and disclosures of gifts-in-kind have been enhanced in accordance with the standard.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions from July 1, 2022 through October 10, 2022, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date or which were required to be recognized in the accompanying financial statements.

**NOTE B - CASH AND CASH EQUIVALENTS**

A summary of cash and cash equivalents at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Operating	\$ 489,247	\$ 800,798
Safety of Principal	<u>349,113</u>	<u>502,144</u>
	<u>\$ 838,360</u>	<u>\$ 1,302,942</u>

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE B - CASH AND CASH EQUIVALENTS (Continued)**

The Safety of Principal cash is used for contribution/grant pass-through funds. Liquid assets are required because these funds are normally in existence for a short time.

**NOTE C - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure within one year include cash and investment balances available for grant making per the Foundation's spending policy. As of June 30, 2022 and 2021 these available funds are:

	2022	2021
Cash	\$ 838,360	\$ 1,302,942
Investments Available for Grant Making	3,970,757	2,737,425
	\$ 4,809,117	\$ 4,040,367

Based on the fiscal 2023 budget, the Foundation anticipates revenues of \$ 2,208,583 from supporting fees and other operational support within the year.

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the return on investments of its funds. As part of the Foundation's liquidity management, it structures its financial assets to be available as its grants, general expenditures, liabilities, and other obligations come due.

**NOTE D - INVESTMENTS**

A summary of all investments at June 30, 2022 is as follows:

	Cost	Unrealized Appreciation (Depreciation)	Market Value
Domestic Equity	\$ 32,483,194	\$ (587,104)	\$ 31,896,090
International Equity	21,417,562	(819,215)	20,598,347
Fixed Income Domestic			
Short Term	5,994,840	(423,078)	5,571,762
Intermediate	14,765,162	(2,037,741)	12,727,421
Long-Term	3,285,938	(827,886)	2,458,052
Fixed Income International	3,748,304	(489,816)	3,258,488
Hedge Funds	411,678	128,613	540,291
Other Investments	700,000	2,740	702,740
Cash and Cash Equivalents	73,032	-	73,032
	\$ 82,879,710	\$ (5,053,487)	\$ 77,826,223



**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE D - INVESTMENTS (Continued)**

Investment return for June 30, 2022 consists of the following:

	<u>Total Return</u>	<u>Allocated to Supporting Organizations And Organization Endowments</u>	<u>Allocated to Foundation Funds</u>
Interest and Dividends	\$ 3,776,936	\$ 1,234,833	\$ 2,542,103
Unrealized Gain / (Loss)	(22,428,352)	(6,537,214)	(15,891,138)
Realized Gain / (Loss)	4,024,567	814,843	3,209,724
Fees	(137,336)	(42,977)	(94,359)
	<u>\$ (14,764,185)</u>	<u>\$ (4,530,515)</u>	<u>\$ (10,233,670)</u>

A summary of all investments at June 30, 2021 is as follows:

	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Market Value</u>
Domestic Equity	\$ 27,883,944	\$ 8,943,861	\$ 36,827,805
International Equity	15,499,640	6,823,466	22,323,106
Fixed Income Domestic			
Short Term	5,884,417	55,164	5,939,581
Intermediate	13,731,928	(194,123)	13,537,805
Long-Term	2,853,076	(85,884)	2,767,192
Fixed Income International	3,402,940	(13,439)	3,389,501
Hedge Funds	1,682,220	817,057	2,499,277
Cash and Cash Equivalents	406,655	-	406,655
	<u>\$ 71,344,820</u>	<u>\$ 16,346,102</u>	<u>\$ 87,690,922</u>

Investment return for June 30, 2021 consists of the following:

	<u>Total Return</u>	<u>Allocated to Supporting Organizations And Organization Endowments</u>	<u>Allocated to Foundation Funds</u>
Interest and Dividends	\$ 2,299,888	\$ 824,725	\$ 1,475,163
Unrealized Gain / (Loss)	9,953,354	3,333,133	6,620,221
Realized Gain / (Loss)	6,324,792	2,224,552	4,100,240
Fees	(120,869)	(39,890)	(80,979)
	<u>\$ 18,457,165</u>	<u>\$ 6,342,520</u>	<u>\$ 12,114,645</u>

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE D - INVESTMENTS (Continued)**

Indexed Portfolio Investments

A summary of the indexed portfolio investments at June 30, 2022 is as follows:

	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Market Value</u>
Domestic Equity	\$ 6,491,048	\$ 193,051	\$ 6,684,099
International Equity	4,233,073	157,347	4,390,420
Fixed Income Domestic			
Short Term	1,170,800	(78,499)	1,092,301
Intermediate	2,905,505	(394,701)	2,510,804
Long-Term	683,793	(173,812)	509,981
Fixed Income International	674,928	(87,128)	587,800
	<u>\$ 16,159,147</u>	<u>\$ (383,742)</u>	<u>\$ 15,775,405</u>

A summary of the indexed portfolio investments at June 30, 2021 is as follows:

	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Market Value</u>
Domestic Equity	\$ 5,687,281	\$ 1,797,929	\$ 7,485,210
International Equity	3,060,491	1,733,398	4,793,889
Fixed Income Domestic			
Short Term	1,148,496	16,215	1,164,711
Intermediate	2,708,415	(25,281)	2,683,134
Long-Term	575,178	(21,569)	553,609
Fixed Income International	619,017	2,582	621,599
	<u>\$ 13,798,878</u>	<u>\$ 3,503,274</u>	<u>\$ 17,302,152</u>

Intermediate Portfolio Investments

A summary of the intermediate portfolio investments at June 30, 2022 is as follows:

	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Market Value</u>
Equity – Domestic (Multi-Cap)	\$ 247,560	\$ (16,955)	\$ 230,605
Equity - International	179,260	(25,362)	153,898
Fixed Income Domestic			
Short Term	184,787	(13,013)	171,773
Intermediate	437,023	(47,251)	389,772
Long-Term	90,667	(15,896)	74,771
Fixed Income International	302,093	(29,519)	272,574
	<u>\$ 1,441,390</u>	<u>\$ (147,996)</u>	<u>\$ 1,293,394</u>

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE D - INVESTMENTS (Continued)**

Intermediate Portfolio Investments (Continued)

A summary of the intermediate portfolio investments at June 30, 2021 is as follows:

	Cost	Unrealized Appreciation (Depreciation)	Market Value
Equity – Domestic (Multi-Cap)	\$ 79,267	\$ 13,583	\$ 92,850
Equity - International	59,917	1,307	61,224
Fixed Income Domestic			
Short Term	66,819	72	66,891
Intermediate	151,276	1,800	153,076
Long-Term	28,922	1,371	30,293
Fixed Income International	105,976	159	106,135
	\$ 492,177	\$ 18,292	\$ 510,469

Liquidity Restrictions - The following are restrictions on redemption of investments by investment type.

	Amount	Liquidity Date or Other Restrictions
International Equity Funds:		
	\$ 1,113,463	6/30/2023; 90 days written notice
	\$ 556,731	Fully redeemed – in transit value included in international equity
Hedge Funds:		
	\$ 36,332	12/31/23; quarterly withdrawals limited to 25% per quarter; 65 days written notice
	\$ 503,958	6/30/23; semi-annual withdrawals limited to 16.67% per redemption; 6 months written notice
Large/Mid Cap Equity Fund:		
	\$ 240,880	Fully redeemed – holdback value included in domestic equity

**ADIRONDACK FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE E - FAIR VALUE MEASUREMENTS**

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Foundation uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). Additionally, assets that are quoted at a Net Asset Value (NAV) of the underlying assets as reported by the fund manager are reported at that NAV. The fair value hierarchy is classified as follows:

- (a) Level 1: Quoted prices in active markets for identical assets and liabilities.
- (b) Level 2: Quoted prices in active markets for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- (c) Level 3: Significant valuation assumptions not readily observable in a market.

The determination of what constitutes “observable” may require significant judgment. The Foundation considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of an investment within the fair value hierarchy is based upon pricing transparency of the investment and does not necessarily correspond to the quality of that investment or the risks associated with that investment.

Fair values for securities are based on quoted market prices or dealer quotes, where available. When quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

The following presents the investments at June 30, 2022 and 2021 that are measured at fair value on a recurring basis. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurements:

	<u>2022</u>	<u>2021</u>
<b>Level 1:</b>		
Domestic Equity	\$ 31,655,210	\$ 34,842,102
International Equity	18,928,153	19,915,911
Fixed Income Domestic:		
Short Term	5,571,762	5,939,581
Intermediate	12,727,421	13,537,805
Long-Term	2,458,052	2,767,192
Fixed Income International	3,258,488	3,389,501
Other Investments	300,000	-
Cash and Cash Equivalents	<u>73,032</u>	<u>406,655</u>
Level 1 Total	<u>74,972,118</u>	<u>80,798,747</u>

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE E - FAIR VALUE MEASUREMENTS (Continued)**

	2022	2021
<b>Level 3:</b>		
Other Investments	402,740	-
<b>Measured Using NAV</b>	2,451,365	6,892,175
Total Investments	\$ 77,826,223	\$ 87,690,922

The investments measured using Net Asset Value (NAV) are used as a diversification strategy to reduce the volatility in the investment portfolio. They include limited partnerships, hedge funds, and funds of managed funds. These investments are not listed on national exchanges or over-the-counter markets, and quoted market prices are not available.

The fair values of these investments are based on a review of information provided by fund managers. It is reasonably possible that the estimated fair values of these investments may change materially in the near term.

For the year ended June 30, 2022, purchases and sales of investments classified as Level 3 totaled \$ 402,740 and \$ 0, respectively. There were no transfers into or out of Level 3 for the year ended June 30, 2022. There were no purchases or sales of investments classified as Level 3 for the year ended June 30, 2021.

There were no Level 2 investments for the year ended June 30, 2022 or 2021.

**NOTE F - UNCONDITIONAL PROMISES TO GIVE**

Donated Office Space

The Foundation has entered into a multi-year lease agreement for its office space with a term from July 1, 2017 through June 30, 2037. The parties have agreed to an annual gift-in-kind value of \$ 40,000. A 5% discount rate is used to arrive at the present fair value. As of June 30, 2022, the value of this unconditional promise to give and rents to be recorded in future years is as follows:

Gross Amount of Gift-In-Kind	\$ 600,000
Less discount at 5%	(164,054)
Fair Value of Gift-In-Kind	\$ 435,946

Amounts to be recorded as rent in future years are as follows:

Less than One Year	\$ 40,000
One to Five Years	200,000
Thereafter	360,000
Unconditional Promise to Give	600,000
Less Discount to Present Value	(164,054)
Net Unconditional Promise to Give	\$ 435,946

Campaign

The Foundation initiated a capital campaign during fiscal year 2021. As of June 30, 2022 and 2021, the balances of pledges receivable were \$ 2,047,397 and \$ 982,222, respectively. The Foundation considers the pledges receivable to be fully collectible and has applied a 3% discount rate. As of June 30, 2022, the value of these pledges receivable and discount to be amortized in future years is as follows:

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE F - UNCONDITIONAL PROMISES TO GIVE (Continued)**

Campaign (Continued)

Gross Amount of Pledges Receivable	\$ 2,047,397
Less discount at 3%	<u>(79,675)</u>
Fair Value of Pledges Receivable	<u>\$ 1,967,722</u>

Amounts to be received in future years are as follows:

Less than One Year	\$ 571,697
One to Five Years	<u>1,475,700</u>
Pledges Receivable	2,047,397
Less Discount to Present Value	<u>(79,675)</u>
Net Unconditional Promise to Give	<u>\$ 1,967,722</u>

**NOTE G - PROPERTY AND EQUIPMENT (NET)**

Property and Equipment (Net) consists of the following:

	<u>2022</u>	<u>2021</u>
Furniture and Fixtures	\$ 12,000	\$ 12,000
Leasehold Improvements	<u>307,964</u>	<u>307,964</u>
	319,964	319,964
Less Accumulated Depreciation	<u>78,365</u>	<u>68,925</u>
Property and Equipment (Net)	<u>\$ 241,599</u>	<u>\$ 251,039</u>

Depreciation charged to operations for the years ended June 30, 2022 and 2021 was \$ 9,441 for both years.

**NOTE H - OTHER ASSETS**

The Foundation was the sole owner and beneficiary of a life insurance policy which insured the life of the donor for \$ 400,000. The value of the policy was received in the year ended June 30, 2022. For the year ended June 30, 2021 the cash surrender value of this policy was \$ 35,548 and was included in Other Assets.

**NOTE I - FUNDS HELD AS ORGANIZATION ENDOWMENTS**

When a Not-for-Profit Organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as organization endowments.

The Foundation maintains variance power and legal ownership of organization endowment funds and, as such, continues to report the funds as assets of the Foundation. A liability is established for the fair value of the funds.

At June 30, 2022, the Foundation held 61 organization endowment funds with a combined value of \$ 7,916,656. The following table summarizes activity in such funds during the year then ended:

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE I - FUNDS HELD AS ORGANIZATION ENDOWMENTS (Continued)**

	2022	2021
Organization Endowment Fund		
Beginning Balance	\$ 9,411,243	\$ 7,062,616
Gifts Received	515,976	640,676
Investment Earnings	396,712	222,890
Realized Investment Gain (Loss)	284,928	640,728
Unrealized Investment Gain (Loss)	(2,200,273)	1,096,968
Fees and Expenses	(122,964)	(96,342)
Grants	(342,815)	(156,293)
Funds Reclassified from Organization		
Endowment	(26,151)	-
Organization Endowment Fund		
Ending Balance	\$ 7,916,656	\$ 9,411,243

**NOTE J - SUPPORTING ORGANIZATIONS**

Private Foundations, with approval from the IRS, can terminate their private foundation status and become a Supporting Organization of a publicly-supported organization that is not a private foundation. Both entities are strengthened by the relationship. By "supporting" the charitable purposes of a public foundation, such as Adirondack Foundation, the Organization is exempt from certain taxes and its donors are eligible for greater tax deductions. By divesting itself of the burdens of investment management and administration, the Organization can focus on its mission and impact.

On July 1, 2007, Bruce L. Crary Foundation (Crary Foundation) became a Supporting Organization of Adirondack Foundation. The current contract between the two organizations is for five years beginning July 1, 2017 and may be extended for successive five year terms upon agreement by both parties. As of the date of these financial statements, it is the intent of the Foundation and Crary Foundation to renew the contract.

Crary Foundation offers scholarships to full-time undergraduate students who are residents of Clinton, Essex, Franklin, Hamilton, and Warren Counties located in New York State. Crary Foundation continues to be based at The Hand House in Elizabethtown, New York with its existing staff.

On July 1, 2014, Lake Placid Education Foundation (LPEF) became a Supporting Organization of Adirondack Foundation. LPEF offers grants to schools, libraries, and other institutions, especially in Lake Placid, New York, for the purpose of advancing public welfare through education. The original contract with the Foundation was for five years beginning July 1, 2014. The contract was extended for five years by agreement dated September 30, 2019.

The net asset balance of supporting organization funds at Adirondack Foundation was \$ 15,582,003 as of June 30, 2022. The following table summarizes the activity during the year then ended:

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE J - SUPPORTING ORGANIZATIONS (Continued)**

	2022	2021
Supporting Organization Fund		
Beginning Balance	\$ 19,374,126	\$ 15,661,056
Gifts Received	250	3,000
Investment Earnings	838,121	561,946
Realized Investment Gain (Loss)	529,915	1,583,823
Unrealized Investment Gain (Loss)	(4,336,941)	2,236,166
Fees and Expenses	(72,142)	(41,660)
Grants	(751,326)	(630,205)
 Supporting Organization Fund		
Ending Balance	\$ 15,582,003	\$ 19,374,126

The balance is carried as a liability in the accompanying statement of financial position.

**NOTE K - NET ASSETS**

**Without Donor Restrictions**

Net assets without donor restrictions at June 30, 2022 and 2021 are summarized as follows:

	2022	2021
Board Designated for Scholarships and Grants:		
Field of Interest Funds	\$ 10,285,788	\$ 12,152,111
Donor-Advised	19,873,979	20,727,706
Designated Funds	14,353,757	17,273,497
Scholarship Funds	2,573,846	3,225,112
Unrestricted Funds	7,309,092	6,087,825
Sponsoring Agency	38,839	17,771
Total Board Designated	54,435,301	59,484,022
Operating Funds (Undesignated)	2,616,157	1,621,041
	\$ 57,051,458	\$ 61,105,063

**With Donor Restrictions**

The gift agreement between the Estate of Alberta P. Moody and Adirondack Foundation created two restricted funds, the Alberta P. Moody Higher Education Fund and the Alberta P. Moody Library Fund. The gift agreement does not grant the Foundation variance power and, therefore, the Funds are reported as donor restricted net assets.

Annual fund distributions are required based on the Funds' average market value at the end of the three most recent annual periods. The distribution rates are 8% for the Higher Education Fund and 7% for the Library Fund. Distributions may be made from the Funds' principal or income, at the discretion of the Board of Trustees.



**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE K - NET ASSETS (Continued)**

**With Donor Restrictions (Continued)**

The Foundation has entered into a multi-year lease agreement for its office space, which has been recognized as a gift-in-kind contribution for the fair market value of the lease. (See Note F.) Lease expense will be released from restriction each year over the life of the lease.

Net assets with donor restrictions are available for the following purposes June 30, 2022 and 2021:

	2022	2021
Gift-In-Kind Donation of Facility Use	\$ 435,946	\$ 455,186
Moody Library Fund	118,776	152,536
Moody Higher Education Fund	67,897	89,566
	\$ 622,619	\$ 697,288

**NOTE L - ENDOWMENTS**

**Net Asset Classifications**

The Foundation is governed by its Governing Documents. The Board of Trustees, on the advice of legal counsel, has determined that the majority of contributions are subject to the terms of its Governing Documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Under the terms of the Governing Documents, the Board of Trustees has the ability to distribute so much of the corpus of any separate gift, bequest or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as donor restricted are classified as net assets without donor restrictions for financial statement purposes.

**Interpretation of Relevant Law**

The Foundation operates under the New York Prudent Management of Institutional Funds Act (NYPMIFA). This is New York State's version of the Uniform Prudent Management of Institutional Funds Act and governs the management and investment of funds held by not-for-profit corporations and other institutions.

Under NYPMIFA, institutions are allowed to spend endowment funds below their original historic dollar value without government approval or attorney general review if the institution's Board concludes that such spending is prudent.

NYPMIFA provides that each person responsible for management and investing an institution's fund does so in good faith and with the care that an ordinarily prudent person would exercise under similar circumstances. NYPMIFA sets forth basic requirements for establishing the standard of prudence, including a requirement that an institution make a reasonable effort to verify facts relevant to the management and investment of the fund.

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE L - ENDOWMENTS (Continued)**

**Interpretation of Relevant Law** (Continued)

The Foundation's endowment consists of 148 board-designated funds and funds with donor restrictions designated to function as endowments.

Endowment type net assets by type of fund consist of the following at June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Funds	\$ -	\$ 186,674	\$ 186,674
Board-Designated Funds	<u>38,910,189</u>	<u>-</u>	<u>38,910,189</u>
	<u>\$ 38,910,189</u>	<u>\$ 186,674</u>	<u>\$ 39,096,863</u>

Changes in endowment type net assets for the fiscal year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 44,944,270	\$ 242,102	\$ 45,186,372
Investment Return	(7,513,335)	(37,014)	(7,550,349)
Contributions	3,158,816	-	3,158,816
Reclassifications	(123,973)	-	(123,973)
Appropriation for Expenditure	<u>(1,555,589)</u>	<u>(18,414)</u>	<u>(1,574,003)</u>
Endowment Net Assets, End of Year	<u>\$ 38,910,189</u>	<u>\$ 186,674</u>	<u>\$ 39,096,863</u>

Endowment type net assets by type of fund consist of the following at June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Funds	\$ -	\$ 242,102	\$ 242,102
Board-Designated Funds	<u>44,944,270</u>	<u>-</u>	<u>44,944,270</u>
	<u>\$ 44,944,270</u>	<u>\$ 242,102</u>	<u>\$ 45,186,372</u>

**ADIRONDACK FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE L - ENDOWMENTS (Continued)**

**Interpretation of Relevant Law** (Continued)

Changes in endowment type net assets for the fiscal year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 34,331,880	\$ 205,880	\$ 34,537,760
Investment Return	9,596,428	55,072	9,651,500
Contributions	2,440,050	-	2,440,050
Reclassifications	18,391	-	18,391
Appropriation for Expenditure	<u>(1,442,479)</u>	<u>(18,850)</u>	<u>(1,461,329)</u>
Endowment Net Assets, End of Year	<u>\$ 44,944,270</u>	<u>\$ 242,102</u>	<u>\$ 45,186,372</u>

**Return Objectives and Risk Parameters**

The Foundation has established investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by those endowments while seeking to maintain the purchasing power of the endowment assets.

**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 appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk restraints.

The spending policy for endowment funds is set by the Board at 4.5% per annum of the average market value of assets at the end of the trailing twelve calendar quarters including income, realized gains and losses, unrealized appreciation and depreciation, and in some cases, principal. This rate may be adjusted from time to time depending on investment performance or other factors. For certain endowment funds the Board may approve a different rate, depending on donor objectives. This policy is designed to maintain the purchasing power of the endowment assets, as well as provide additional real growth through new gifts and investment return.

**NOTE M - RELATED PARTY AND SIGNIFICANT DONORS**

During the year ended June 30, 2022, 21 Board members donated \$ 2,821,098 to the Foundation. Also during the year ended June 30, 2022, 40% of contributions came from 10 donors.

**ADIRONDACK FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE N - RETIREMENT PLAN**

The Foundation offers a Savings Incentive Match Plan for Employees (SIMPLE) IRA to its eligible employees. The Foundation provides an annual 3% contribution to this Plan for all employees who are at least 21 years old and have performed services for the Foundation for at least 30 days. The Foundation's contribution to this Plan for the years ended June 30, 2022 and 2021 was \$ 17,078 and \$ 16,144, respectively.

**NOTE O - COMMITMENTS AND CONTINGENCIES**

**1. Operating Lease**

The Foundation has entered into a multi-year operating lease for its office space with a term from July 1, 2017 through June 30, 2037. The lease calls for no monthly payments of rent for the term of the lease. The statements of activities reflect the fair value of the lease expense at \$ 40,000 for the years ended June 30, 2022 and 2021. (See Note F.)

**2. Concentrations of Credit Risk – Cash**

The Foundation maintains operating cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, bank deposits may be in excess of amounts insured by the FDIC. At June 30, 2022, the carrying amount of cash deposits was \$ 838,360. The bank balances were \$ 1,370,319 categorized as follows:

Amount Insured by FDIC	\$ 250,005
Uninsured	<u>1,120,314</u>
Total Bank Balances	<u>\$ 1,370,319</u>

**3. Risks and Uncertainties**

The Foundation has investments in a combination of cash, fixed income and equity securities, mutual funds, limited partnerships and hedge funds. Investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the net assets of the Foundation.

**4. Covid-19 Uncertainty**

COVID-19 continues to cause financial market unrest and economic disruptions. The future impact of this event on the Foundation's operations remain unknown.