COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019
&
INDEPENDENT AUDITORS' REPORT

MCCALL SCANLON & TICE, LLC
Certified Public Accountants

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McCall Scanlon & Tice, LLC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of the
Community Foundation of Greene County Pennsylvania:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Foundation of Greene County Pennsylvania (the "Foundation"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Greene County Pennsylvania as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements as of December 31, 2019, were reviewed by Houston & Associates, LLC, who merged with McCall Scanlon & Tice, LLC as of January 1, 2021, and whose report thereon, dated August 12, 2020, stated they were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

McCall Scanlon & Tice, LLC

Washington, Pennsylvania
August 11, 2021

COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

ASSETS

	2020 Audited	2019 Reviewed
ASSETS:		
Cash	$ 87,204	$ 25,382
Investments	1,100,454	913,947
Security deposit	1,400	1,400
Total assets	1,189,058	940,729
ENDOWMENT ASSETS:		
Cash	172,676	233,057
Investments	6,222,286	4,806,859
Total endowment assets	6,394,962	5,039,916
PROPERTY AND EQUIPMENT, NET	23,915	30,356
TOTAL	$ 7,607,935	$ 6,011,001

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accrued payroll taxes	$ 491	$ 2,589
Endowment and agency income payable	314,849	234,705
Total current liabilities	315,340	237,294
PPP loan	21,271	-
Total liabilities	336,611	237,294
NET ASSETS:		
Without donor restrictions	839,970	745,394
With donor restrictions	6,431,354	5,028,313
Total net assets	7,271,324	5,773,707
TOTAL	$ 7,607,935	$ 6,011,001

See Notes To Financial Statements

COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020 (AUDITED)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Direct public support	$ 149,547	$ 1,177,564	$ 1,327,111
Administrative fee	91,311	-	91,311
Special events	-	-	-
Sponsorships and application fees	-	-	-
Miscellaneous income	116	-	116
Interest and dividend income	29,203	128,442	157,645
Investment income (loss)	157,452	609,440	766,892
Total revenues, gains and other support	427,629	1,915,446	2,343,075
EXPENSES:			
Program	237,283	433,296	670,579
General and administrative	83,789	79,109	162,898
Fundraising	11,981	-	11,981
Total expenses	333,053	512,405	845,458
INCREASE (DECREASE) IN NET ASSETS	94,576	1,403,041	1,497,617
NET ASSETS, BEGINNING OF YEAR	745,394	5,028,313	5,773,707
NET ASSETS, END OF YEAR	$ 839,970	$ 6,431,354	$ 7,271,324

See Notes To Financial Statements

COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019 (REVIEWED)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Direct public support	$ 21,449	$ 712,933	$ 734,382
Administrative fee	67,335	-	67,335
Special events	13,560	-	13,560
Sponsorships and application fees	-	1,525	1,525
Miscellaneous income	2,209	-	2,209
Interest and dividend income	22,072	117,562	139,634
Investment income (loss)	147,674	700,893	848,567
Total revenues, gains and other support	274,299	1,532,913	1,807,212
EXPENSES:			
Program	101,980	318,976	420,956
General and administrative	100,582	57,196	157,778
Fundraising	25,619	-	25,619
Total expenses	228,181	376,172	604,353
INCREASE (DECREASE) IN NET ASSETS	46,118	1,156,741	1,202,859
NET ASSETS, BEGINNING OF YEAR	699,276	3,871,572	4,570,848
NET ASSETS, END OF YEAR	$ 745,394	$ 5,028,313	$ 5,773,707

See Notes To Financial Statements

COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020 (AUDITED)

	Program	General & Administrative	Fundraising	Total
PERSONNEL				
Salaries and wages	$ 76,202	$ 23,561	$ 8,416	$ 108,179
Payroll taxes	6,072	1,877	671	8,620
Total personnel	$ 82,274	$ 25,438	$ 9,087	$ 116,799
OPERATING				
Grants	$ 550,498	$ -	$ -	$ 550,498
Backpack and summer food program	10,772	-	-	10,772
Professional fees	-	9,326	-	9,326
Office expenses	5,892	5,788	755	12,435
Information technology	-	13,558	-	13,558
Occupancy	15,650	4,919	1,789	22,358
Conferences and meetings	-	350	-	350
Insurance	-	2,917	-	2,917
Endowment asset management	-	84,352	-	84,352
Administrative fee	-	7,868	-	7,868
Training and other	-	7,419	-	7,419
Depreciation	5,493	963	350	6,806
Total expenses	$ 670,579	$ 162,898	$ 11,981	$ 845,458

See Notes To Financial Statements

COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

STATEMENT OF FUNTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019 (REVIEWED)

	Program	General & Administrative	Fundraising	Total
PERSONNEL				
Salaries and wages	$ 53,695	$ 35,402	$ 12,434	$ 101,531
Payroll taxes	4,410	2,908	1,021	8,339
Total personnel	$ 58,105	$ 38,310	$ 13,455	$ 109,870
OPERATING				
Grants	$ 269,740	$ -	$ -	$ 269,740
Backpack and summer food program	49,755	-	-	49,755
Professional fees	-	9,059	-	9,059
Office expenses	8,779	11,030	3,850	23,659
Information technology	-	4,599	-	4,599
Occupancy	12,060	7,964	2,730	22,754
Conferences and meetings	4,324	6,698	2,671	13,693
Insurance	-	2,734	-	2,734
Endowment asset management	-	60,134	-	60,134
Administrative fee	-	7,589	-	7,589
Training and other	15,202	7,686	413	23,301
Depreciation	2,991	1,975	2,500	7,466
Total expenses	$ 420,956	$ 157,778	$ 25,619	$ 604,353

See Notes To Financial Statements

COMMUNITY FOUNDATION OF GREENE COUNTY PENNSYLVANIA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020 Audited	2019 Reviewed
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 1,497,617	$ 1,202,859
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gains) losses on investments	(766,892)	(848,567)
Depreciation	6,806	7,466
Increase (decrease) in:		
Accrued payroll taxes	(2,098)	2,180
Agency income payable	80,144	63,714
Net cash provided by (used in) operating activities	815,577	427,652
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(774,661)	(538,417)
Proceeds from sales of investments	-	110,000
Purchases of property and equipment	(365)	(12,150)
Net cash provided by (used in) investing activities	(775,026)	(440,567)
CASH FLOWS FROM INVESTING ACTIVITIES;		
Proceeds from PPP loan	21,271	-
NET INCREASE (DECREASE) IN CASH	61,822	(12,915)
CASH, BEGINNING OF YEAR	25,382	38,297
CASH, END OF YEAR	$ 87,204	$ 25,382

See Notes To Financial Statements

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Community Foundation of Greene County Pennsylvania (the "Foundation") is a nonprofit voluntary agency established to provide a community philanthropic vehicle for donors by building and managing endowments to meet emerging community needs through grant making; provide a community philanthropic vehicle for donors with various interests and resources; be a broad based community grant maker to other nonprofit organizations and be a community leader for important projects and initiatives.

BASIS OF ACCOUNTING

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, report all significant receivables, payables, and other liabilities as prescribed by accounting principles generally accepted in the United States of America ("GAAP").

FINANCIAL STATEMENT PRESENTATION

The Foundation is required to report information regarding its financial position according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets of the Foundation are reported in the following categories:

Net assets without donor restrictions consist of resources available for the various programs and administration of the Foundation, which have not been restricted by donors or grantors.

Net assets with donor restrictions are those assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time, or are those required to be maintained permanently by donors.

REVENUES AND OTHER SUPPORT

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Unconditional promises to give are recorded when the pledge is received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation

of potential uncollectible promises receivable at year end. The Foundation had no unconditional promises to give as of December 31, 2020 and 2019.

Educational Improvement Tax Credit Program (EITC) grants are recorded as revenue when received. This is consistent with the Pennsylvania Department of Community and Economic Development (DCED) reporting.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the statements of financial position.

Although the Foundation's investments are invested in a variety of financial instruments, the fair values, reported in the statements of financial position, are subject to various market risks including changes in the equity markets, the interest rate environment, and economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the fair value of investments reported in the accompanying statements of financial position could change materially in the near term.

FAIR VALUE MEASUREMENTS

Accounting Standards require the Foundation to measure various assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to dispose of a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value.

The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Foundation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 – Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other techniques.

FIXED ASSETS

The Foundation capitalizes fixed assets at cost. Equipment is depreciated over the estimated useful lives of five (5) to ten (10) years; software is amortized over five (5) years; and leasehold improvements are amortized over fifteen (15) years. Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was $6,806 and $7,466, respectively.

ENDOWMENT FUNDS

Accounting Standards provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The Commonwealth of Pennsylvania has not adopted UPMIFA. The Commonwealth of Pennsylvania has enacted Act 141 (Act 141). Act 141 permits a total return policy that allows a nonprofit organization to choose to treat a percentage of the average market value of endowment investments as income each year. Under Act 141, this percentage must be between two and seven percent. In addition, the long-term preservation of the real value of the assets must be considered when the Board elects the return percentage annually. The Foundation considered the following in determining the percentage:

- Protecting the corpus of the endowment fund
- Preserving the spending power of the assets
- Obtaining maximum investment return with reasonable risk and operational consideration
- Complying with applicable laws

The Foundation established a total return investment policy whereby the income is a percentage of the fair market value of the average trust assets over the three preceding years. The percentage used for the year ended December 31, 2020 varied between three percent (3%) and six percent (6%) depending on the length of time the fund existed. The percentages used for the year ended December 31, 2019 varied between three percent (3%) and five percent (5%).

When reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. There were no underwater funds at December 31, 2020.

INCOME TAX STATUS

The Foundation has been classified as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is required. In general, the Foundation's tax positions for open tax years remain subject to examination by the tax authorities in the jurisdictions in which the Foundation operates.

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 disclosures 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.

ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was $8,285 and $12,020 for the years ended December 31, 2020 and 2019, respectively.

SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 11, 2021, the date the financial statements were available to be issued.

2. INVESTMENTS

Investments are measured at fair value using level 1 inputs as the Foundation does not have any investments measured at level 2 or 3 inputs. Level 1 investments consist of the following at December 31, 2020 and 2019:

	2020	2019
Money market funds	$ 133,383	$ 101,103
Mutual funds		
Large value	182,498	109,218
Large growth	198,959	122,495
Fixed income	1,980,940	1,531,389
Exchange-traded funds		
Large blend	1,658,334	1,268,717
Mid blend	1,321,292	1,459,070
Small blend	1,787,304	1,038,394
Common stocks	60,030	90,420
Total	$ 7,322,740	$ 5,720,806

Investment income (loss) is comprised of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Dividends and interest income	$ 157,645	$ 139,634
Gain (loss) on investments:		
Net unrealized gain (loss)	787,393	805,958
Net realized gain (loss)	-	50,487
Total gain (loss) on investments	787,393	856,445
Investment fees	(20,501)	(7,878)
	$ 924,537	$ 988,201

As of January 1, 2020, The Foundation adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The updated guidance improves the disclosure requirements on fair value measurements.

3. ENDOWMENT NET ASSETS

The Foundation's endowment consists of various investment funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's endowment-related activity during the years ended December 31, 2020 and 2019 is as follows:

	With Donor Restrictions	
	2020	2019
Beginning endowment net assets	$ 4,861,910	$ 3,784,399
Contributions & transfers	768,926	493,511
Expenses	(339,764)	(234,424)
Net (depreciation)/appreciation in investments	737,858	818,424
Change in endowment net assets	1,167,020	1,077,511
Ending endowment net assets	$ 6,028,930	$ 4,861,910

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of funds for building charitable endowments, maximizing benefits to donors, making effective grants and providing leadership to address community needs. Net assets with donor restrictions for the years ended December 31, 2020 and 2019, were $6,431,354 and $5,028,313, respectively.

5. FUNCTIONAL EXPENSES

Expenses are summarized and categorized based upon their functional classification as either program services, general and administrative, or fundraising. Specific expenses that are readily identifiable to program services are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated on the basis of estimates of time and effort or equal among efforts.

6. OPERATING LEASES

The Foundation has operating leases for its office space and copier. Rent expense was $19,332 and $19,424 for the years ended December 31, 2020 and 2019, respectively. At December 31, 2020, the Foundation's future non-cancellable minimum lease payments under these operating leases are as follows:

Years Ending December 31,	
2021	$ 22,601
2022	23,177
2023	23,753
2024	10,975
	$ 80,506

7. CONCENTRATION OF CREDIT RISK

The Foundation maintains cash accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced losses from maintaining cash accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on cash accounts.

8. LIQUIDITY

In managing the Foundation's financial assets, an important consideration is to ensure sufficient liquidity. Financial asset liquidity as of December 31, 2020 is as follows:

Financial assets, at year end:	
Cash	$ 259,880
Investments	7,322,740
Total financial assets at year-end	7,582,620
Less those unavailable for general expenditures within one year, due to, donor restrictions:	
Cash, endowments	172,676
Investments, endowments	6,222,286
	6,394,962
Financial assets available to meet cash needs for general expenditures within one year	$ 1,187,658

As part of the Foundation's liquidity management, the Foundation maintains financial assets on hand to meet 60 days of normal operating expenses.

9. PAYCHECK PROTECTION PROGRAM LOANS

On July 31, 2020, the Foundation received a loan from First National Bank of Pennsylvania in the amount of $21,271 under the Paycheck Protection Program ("PPP"), which was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The Foundation used loan proceeds for qualifying expenses which include, payroll costs, mortgage interest payments, rent and utilities. The loan was forgiven in March 2021.

On February 4, 2021, the Foundation was granted a second Payroll Protection Program loan in the amount of $21,250. The Foundation used loan proceeds for qualifying expenses and believes the loan will be forgiven.