

Community Foundation of Otsego County, Inc.

FINANCIAL STATEMENTS

December 31, 2019

Community Foundation of Otsego County, Inc.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Community Foundation of Otsego County, Inc.

We have reviewed the accompanying financial statements of Community Foundation of Otsego County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

The logo for Cwynar & Company is written in a cursive, handwritten-style font. The letters are dark green and the overall appearance is professional and elegant.

Norwich, New York
February 22, 2020

Community Foundation of Otsego County, Inc.

STATEMENT OF FINANCIAL POSITION

At December 31,	2019
ASSETS	
CURRENT ASSETS	
Cash.....	\$ 196,667
Pledges Receivable.....	420,822
Total current assets.....	617,489
FIXED ASSETS	
Organizational Costs.....	11,643
Accumulated depreciation.....	(65)
Total net fixed assets.....	11,578
Total assets.....	\$ 629,067
LIABILITIES	
CURRENT LIABILITIES	
Deferred revenue.....	\$ 420,822
Total liabilities.....	420,822
NET ASSETS	
Without donor restrictions:	
Undesignated.....	208,245
Board Designated.....	-
Total net assets.....	208,245
Total liabilities and net assets.....	\$ 629,067

See independent accountant's review report and accompanying notes

Community Foundation of Otsego County, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31,	Without Donor Restrictions	With Donor Restrictions	2019
REVENUES, GAINS AND OTHER SUPPORT			
Contributions.....	\$ 242,451	\$ -	\$ 242,451
Other support.....	1,083	-	1,083
Net assets released from donor restrictions.....	-	-	-
Total revenues, gains, and other support.....	243,534	-	243,534
FUNCTIONAL EXPENSES			
PROGRAM SERVICES			
Community.....	247	-	247
Educaiton.....	248	-	248
Total program services.....	495	-	495
SUPPORTING SERVICES			
Management & General.....	33,653	-	33,653
Fundraising.....	1,141	-	1,141
Total functional expenses.....	35,289	-	35,289
Increase (decrease) in net assets.....	208,245	-	208,245
Net Assets - Beginning of the year.....	-	-	-
Net Assets - End of the year.....	\$ 208,245	\$ -	\$ 208,245

See independent accountant's review report and accompanying notes

Community Foundation of Otsego County, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31,	2019
OPERATING ACTIVITIES	
Change in net assets.....	\$ 208,245
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation.....	65
Pledged promises to give.....	(605,500)
Deferred revenue.....	605,500
Cash from operating activities.....	208,310
INVESTING ACTIVITIES	
Organizational costs purchased.....	(11,643)
Cash (used for) investing activities.....	(11,643)
Net increase (decrease) in cash.....	196,667
Cash at the beginning of the year.....	-
Cash at the end of the year	\$ 196,667
SUPPLEMENTAL CASH FLOW DISCLOSURES	
Interest paid.....	-
Income taxes paid.....	-
See independent accountant's review report and accompanying notes	

Community Foundation of Otsego County, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES		
	Community		
For the year ended December 31,	Outreach	Education	Total
Professional fees.....	-	-	-
Administrative fees.....	-	-	-
Information Technoogy.....	-	-	-
Office Expense.....	215	215	430
Depreciation.....	32	33	65
Total	\$ 247	\$ 248	\$ 495

See independent accountant's review report and accompanying notes

Community Foundation of Otsego County, Inc.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

SUPPORTING SERVICES					
For the year ended December 31,	Management & General		Fundraising	Total	2019
Professional fees.....	33,030	-	-	33,030	33,030
Administrative fees.....	-	1,141	-	1,141	1,141
Information Technoogy.....	346	-	-	346	346
Office Expense.....	277	-	-	277	707
Depreciation.....	-	-	-	-	65
Total	\$ 33,653	\$ 1,141	\$ 34,794	\$ 35,289	

See independent accountant's review report and accompanying notes

Community Foundation of Otsego County, Inc.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Nature of the Organization and Summary of Significant Accounting Policies

Nature of Organization - The Community Foundation of Otsego County, Inc. (the Organization) is a not-for-profit corporation whose purpose is to lead and inspire community-wide efforts that significantly improve the quality of life and the prosperity of the Otsego County, New York area. We connect people who care with causes that matter, we leverage collective knowledge, creativity and resources for a greater impact than any one individual can make alone.

Summary of Significant Accounting Policies

Basis of Accounting - The organization utilizes the accrual basis of accounting for financial reporting purposes. Under this method, revenue is recognized as earned and expenses are recorded when incurred.

Financial Statement Presentation - The organization is required to report information regarding its financial position and activities according to those with donor restrictions and those without. In addition, the Organization is required to present a statement of cash flows.

Net Assets Released from Restriction - The organization reports gifts of cash and other assets as restricted support 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 is accomplished, restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In addition, if contributions are received in the same year when restrictions lapse, the Organization records the contributions as unrestricted.

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 certain 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. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation - Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services based on estimates of cost to run the program. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the organization.

Cash and Cash Equivalents - The organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Grants and Contributions - Grant receivable represents the balance of the grant which has not been received. Contributions receivable represent the balance of contributions which have not been received but the organization has received notification of an unconditional promise. The organization accounts for grants and contributions receivables under the accrual method of accounting.

Community Foundation of Otsego County, Inc.

NOTES TO THE FINANCIAL STATEMENTS

Grants and contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions or grants are recognized. All other donor-restricted contribution and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/ or nature of any donor restrictions.

The organization provides an allowance for uncollectible accounts based on management's estimates for financial statement purposes. Past due status is based on how recently payments have been received. When receivables are determined by management to be uncollectible, they are written off through the allowance account. The allowance for uncollectible accounts is based on the evaluation of outstanding receivables at the end of the year. Management has determined no allowance was necessary.

Pledged Promises to Give – A pledge is a promise to contribute a specified amount to the organization in installments over time. The organization accommodates the donors' desire to make a multiple year contribution. The pledge is not legally enforceable and therefore revenues are deferred. Contributions are recognized as revenue when cash is received or when the organization has received notification of an unconditional promise.

Deferred Revenue – The policy of the organization is to Deferred revenue represents pledged promises to give with a due date occurring in the following fiscal years.

Fixed Assets - Purchased fixed assets are recorded at cost and donated items are recorded at fair market value. The organization capitalizes all expenditures for equipment and improvements over \$2,500. Depreciation is calculated using the straight-line method over the estimated useful lives of the property.

Advertising - The organization expenses advertising expenses as incurred.

Income Taxes - The organization is exempt from federal and state income taxes on income generated from activities related to its exempt purpose and federal unemployment insurance under Section 501(c)(3) of the Internal Revenue Code.

The organization has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 740, *"Income Taxes"*, as amended by FASB Accounting Standards Update (ASU) No. 2009-06, *"Implementation Guidance on Accounting/or Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities."* Management has determined there were no liabilities for unrecognized tax benefits as a result of the implementation of FASB ASC No. 740, as amended.

Community Foundation of Otsego County, Inc.

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Pledged Promises to Give

The organization solicits contributions from donors who may sometimes prefer to allocate the contribution over several years. The pledges are not legally enforceable and therefore revenues are deferred. The contributions are recognized as revenue when cash is received or when the organization has received notification of an unconditional promise. beyond the current year.

At December 31,	2019
Receivable in less than one year.....	\$ 152,500
Receivable in one to five years.....	\$ 290,000
Receivable in more than five years.....	-
Promises to Give Non-Current.....	290,000
Less: Discounts to Net Present Value.....	(21,678)
Net Promises to Give Non-Current.....	268,322
Total Net Promise to Give.....	<u>\$ 420,822</u>

The discount rate of 3% is used to determine the present value of pledges to be received

Note 3. Liquidity and Availability of Funds

The organization manages is cash to be available as general expenditures, grants, liabilities, and other obligations come due. The amount of financial assets available for expenditures within 12 months of the statement of financial position date is as follows:

At December 31,	2019
Financial Assets:	
Cash and cash equivalents.....	\$ 196,667
Pledged promises to give.....	<u>420,822</u>
Total financial assets.....	<u>617,489</u>
Less amounts not available to be used within one year:	
Pledged promises to give, long-term.....	<u>(268,322)</u>
Total amounts not available to be used within one year.....	<u>(268,322)</u>
Amount available for general expenditures within one year.....	<u>\$ 349,167</u>

Community Foundation of Otsego County, Inc.

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Property

A detail of the organization's property is as follows:

Property held at December 31	2019
Organizational costs.....	\$ 11,643
Less: Accumulated amortization.....	(65)
	<u>\$ 11,578</u>

Fixed assets are recorded at cost and donated items are recorded at fair market value. The organization capitalizes all expenditures for equipment and improvements over \$2,500. Depreciation is calculated using the straight-line method over the estimated useful lives of the property. Amortization expenses of \$65 was recognized in 2019.

Note 5. Description of Programs and Supporting Services

Community Outreach - The purpose of this program is to promote, extend, and enhance community projects in Otsego County and surrounding areas.

Education - The purpose is to educate and involve the public about projects that matter to their community.

Management and General - Includes the functions necessary to provide general oversight for the various programs and manage the financial responsibilities.

Fundraising - The Organization seeks additional funding for the above programs.

Note 6. Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist primarily of cash in financial institutions. Cash balances may exceed the Federal Deposit Insurance Corporation (FDIC) coverage. Management believes that it is not exposed to any significant risk with respect to these accounts.

Note 7. Subsequent Events

The Organization has evaluated events and transactions that occurred between December 31, 2019 and February 28, 2020, which is the date the financial