

**Community Foundation of Otsego County, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**



# Community Foundation of Otsego County, Inc.

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of the  
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, 2020 and 2019, and the related statements of activities and cash flows for the years 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.



Cwynar, Farrow, & Locke, CPAs, PLLC  
Norwich, New York  
May 5, 2021



# Community Foundation of Otsego County, Inc.

## STATEMENT OF FINANCIAL POSITION

At December 31,	2020		2019
<b>ASSETS</b>			
CURRENT ASSETS			
Cash.....	\$ 505,806	\$	196,667
Cash restricted by donors.....	24,566		-
Pledges receivable.....	726,103		420,822
Total current assets.....	1,256,475		617,489
FIXED ASSETS			
Website and organizational costs.....	24,284		11,643
Accumulated amortization.....	(1,270)		(65)
Total net fixed assets.....	23,014		11,578
Total assets.....	\$ 1,279,489	\$	629,067
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Deferred revenue.....	\$ 726,103	\$	420,822
Total current liabilities	726,103		420,822
Total liabilities	\$ 726,103	\$	420,822
<b>NET ASSETS</b>			
Without donor restrictions:			
Undesignated.....	\$ 508,820	\$	208,245
Designated.....	20,000		-
With donor restrictions:			
Donor designated.....	24,566		-
Total net assets.....	553,386		208,245
Total liabilities and net assets.....	\$ 1,279,489	\$	629,067

# 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	2020	2019
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Contributions.....	\$ 354,451	\$ 200,866	\$ 555,317	\$ 242,451
Other support.....	-	-	-	1,083
Net assets released from donor restrictions.....	176,300	(176,300)	-	-
<b>Total revenues, gains, and other support.....</b>	<b>530,751</b>	<b>24,566</b>	<b>555,317</b>	<b>243,534</b>
<b>FUNCTIONAL EXPENSES</b>				
<b>PROGRAM SERVICES</b>				
Community.....	182,154	-	182,154	247
Education.....	5,230	-	5,230	248
<b>Total program services.....</b>	<b>187,384</b>	<b>-</b>	<b>187,384</b>	<b>495</b>
<b>SUPPORTING SERVICES</b>				
Management & General.....	12,792	-	12,792	33,653
Fundraising.....	10,000	-	10,000	1,141
<b>Total functional expenses.....</b>	<b>210,176</b>	<b>-</b>	<b>210,176</b>	<b>35,289</b>
<b>Increase (decrease) in net assets.....</b>	<b>320,575</b>	<b>24,566</b>	<b>345,141</b>	<b>208,245</b>
<b>Net Assets - Beginning of the year.....</b>	<b>208,245</b>	<b>-</b>	<b>208,245</b>	<b>-</b>
<b>Net Assets - End of the year.....</b>	<b>\$ 528,820</b>	<b>\$ 24,566</b>	<b>\$ 553,386</b>	<b>\$ 208,245</b>

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,	2020	2019
<b>OPERATING ACTIVITIES</b>		
Change in net assets.....	\$ 345,141	\$ 208,245
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation.....	1,205	65
Change in restricted cash.....	(24,566)	-
Pledged promises to give.....	(305,281)	(605,500)
Deferred revenue.....	305,281	605,500
Cash from operating activities.....	321,780	208,310
<b>INVESTING ACTIVITIES</b>		
Intangible asset cost.....	(12,641)	(11,643)
Cash (used for) investing activities.....	(12,641)	(11,643)
Net increase (decrease) in cash.....	309,139	196,667
Cash at the beginning of the year.....	196,667	-
Cash at the end of the year	\$ 505,806	\$ 196,667
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES</b>		
Interest paid.....	-	-
Income taxes paid.....	-	-
See independent accountant's review report and accompanying notes		

# Community Foundation of Otsego County, Inc.

## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31,	PROGRAM SERVICES		
	Community Outreach	Education	Total
Grants to other organizations.....	\$ 176,300	\$ -	\$ 176,300
Professional fees.....	-	-	-
Administrative fees.....	-	-	-
Advertising and promotion.....	4,647	4,648	9,295
Dues and subscriptions.....	-	-	-
Other operating expenses.....	-	-	-
Information technology.....	582	582	1,164
Office expenses.....	625	-	625
Insurance.....	-	-	-
Depreciation.....	-	-	-
<b>Total</b>	<b>\$ 182,154</b>	<b>\$ 5,230</b>	<b>\$ 187,384</b>

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	2020	2019
Grants to other organizations.....	\$	-	\$	-	\$ 176,300	\$
Professional fees.....		4,723	-	4,723	4,723	30
Administrative fees.....		3,642	-	3,642	3,642	-
Advertising and promotion.....		-	10,000	10,000	19,295	33,137
Dues and subscriptions.....		60	-	60	60	-
Other operating expenses.....		74	-	74	74	1,142
Information technology.....		582	-	582	1,746	346
Office expenses.....		1,249	-	1,249	1,874	570
Insurance.....		1,257	-	1,257	1,257	-
Depreciation.....		1,205	-	1,205	1,205	65
<b>Total</b>	<b>\$</b>	<b>12,792</b>	<b>\$</b>	<b>10,000</b>	<b>\$ 22,792</b>	<b>\$ 35,290</b>

See independent accountant's review report and accompanying notes

# Community Foundation of Otsego County, Inc.

## NOTES TO THE FINANCIAL STATEMENTS

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### 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

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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

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### 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,	2020	2019
Receivable in less than one year.....	<u>\$ 201,250</u>	<u>\$ 152,500</u>
Receivable in one to five years.....	\$ 583,417	290,000
Receivable in more than five years.....	-	-
Promises to Give Non-Current.....	583,417	290,000
Less: Discounts to Net Present Value.....	(58,564)	(21,678)
Net Promises to Give Non-Current.....	<u>524,853</u>	<u>268,322</u>
Total Net Promise to Give.....	<u>\$ 726,103</u>	<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 its 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,	2020	2019
Financial Assets:		
Cash.....	\$ 505,806	\$ 196,667
Cash restricted.....	24,566	-
Pledged promises to give.....	726,103	420,822
Total financial assets.....	<u>1,256,475</u>	<u>617,489</u>
Less amounts not available to be used within one year:		
Pledged promises to give, long-term.....	(362,786)	(268,322)
Total amounts not available to be used within one year.....	<u>(362,786)</u>	<u>(268,322)</u>
Amount available for general expenditures within one year.....	<u>\$ 893,689</u>	<u>\$ 349,167</u>

# Community Foundation of Otsego County, Inc.

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 4. Property

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

Property held at December 31	2020	2019
Organizational costs.....	\$ 11,643	\$ 11,643
Website development.....	12,641	-
	<u>24,284</u>	<u>11,643</u>
Less: Accumulated amortization.....	(1,270)	(65)
	<u>\$ 23,014</u>	<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 \$1,205 was recognized for 2020 and \$65 for 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, 2020 and May 5, 2021, which is the date the financial statements. These events and transactions have no significant impact on the financial statements.