

**CENTRAL NEW YORK COMMUNITY
FOUNDATION, INC. AND SUBSIDIARY**

**Consolidated Financial Statements as of
March 31, 2021
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

June 2, 2021

To the Board of Directors of
Central New York Community Foundation, Inc. and Subsidiary:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Central New York Community Foundation, Inc. (a New York State not-for-profit corporation) and Subsidiary, which comprise the consolidated statement of financial position as of March 31, 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central New York Community Foundation, Inc. and Subsidiary as of March 31, 2021, 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.

Report on Summarized Comparative Totals

We have previously audited the Central New York Community Foundation, Inc. and Subsidiary 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 3, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 3,073,649	\$ 2,733,526
Accounts receivable	4,790,074	5,250,435
Pledges receivable	526,696	970,846
Investments	345,786,059	239,961,115
Program related investments	250,000	250,000
Split-interest agreements	5,496,528	4,242,075
Perpetual trust held by third party	1,462,140	1,091,923
Cash surrender value of life insurance	595,106	577,161
Real estate interests	33,300	249,900
Property and equipment, net	4,157,718	4,291,494
Other assets	112,874	82,932
Total assets	<u>\$ 366,284,144</u>	<u>\$ 259,701,407</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 218,492	\$ 175,730
Split-interest agreements	2,872,361	2,317,225
Deferred compensation	350,876	232,078
Deferred revenue	113,775	123,379
Grants payable	1,569,783	3,682,768
Endowments held for other not-for-profit organizations	21,877,084	14,261,120
Note payable	2,337,640	2,878,574
Total liabilities	<u>29,340,011</u>	<u>23,670,874</u>
NET ASSETS:		
Without donor restrictions -		
Designated by the governing board for long-term investment	70,154,236	48,001,151
Designated for donor advisement	133,243,789	95,602,817
Other net assets without donor restrictions	52,458,138	32,204,224
Total without donor restrictions	255,856,163	175,808,192
With donor restrictions	<u>81,087,970</u>	<u>60,222,341</u>
Total net assets	<u>336,944,133</u>	<u>236,030,533</u>
Total liabilities and net assets	<u>\$ 366,284,144</u>	<u>\$ 259,701,407</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2021 (With Comparative Totals for 2020)

	2021			2020 <u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
PUBLIC SUPPORT AND REVENUE:				
Public support -				
Donations and grant revenue	\$ 23,747,001	\$ 3,178,124	\$ 26,925,125	\$ 24,011,951
Change in value of split-interest agreements	167,684	531,633	699,317	(112,545)
Revenue -				
Investment income, net	1,232,338	228,221	1,460,559	2,428,607
Net gain (loss) on investments	74,658,267	21,038,284	95,696,551	(27,152,774)
Change in value of real estate interests	-	(216,600)	(216,600)	(329,392)
Administrative management income on endowments held for other not-for-profit organizations	109,966	-	109,966	97,140
Other	<u>534,865</u>	<u>-</u>	<u>534,865</u>	<u>234,368</u>
	100,450,121	24,759,662	125,209,783	(822,645)
Net assets released from restrictions	<u>3,894,033</u>	<u>(3,894,033)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>104,344,154</u>	<u>20,865,629</u>	<u>125,209,783</u>	<u>(822,645)</u>
EXPENSES:				
Program services	22,282,089	-	22,282,089	16,858,808
Supporting services	<u>2,014,094</u>	<u>-</u>	<u>2,014,094</u>	<u>2,007,810</u>
Total expenses	<u>24,296,183</u>	<u>-</u>	<u>24,296,183</u>	<u>18,866,618</u>
CHANGE IN NET ASSETS	80,047,971	20,865,629	100,913,600	(19,689,263)
NET ASSETS - beginning of year	<u>\$ 175,808,192</u>	<u>\$ 60,222,341</u>	<u>\$ 236,030,533</u>	<u>\$ 255,719,796</u>
NET ASSETS - end of year	<u>\$ 255,856,163</u>	<u>\$ 81,087,970</u>	<u>\$ 336,944,133</u>	<u>\$ 236,030,533</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)**

	<u>Supporting Services</u>			2021 <u>Total</u>	2020 <u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Grant expenses	\$ 20,528,480	\$ -	\$ -	\$ 20,528,480	\$ 15,168,953
Salaries	900,539	637,647	497,753	2,035,939	1,952,102
Payroll taxes	64,897	45,433	35,591	145,921	133,208
Employee benefits	121,516	96,222	67,628	285,366	285,903
Development and marketing	4,292	8,982	131,883	145,157	129,910
Occupancy	48,961	24,732	15,295	88,988	100,462
Professional fees	173,131	95,070	5,286	273,487	212,224
Depreciation	163,497	60,290	38,905	262,692	257,111
Conferences and meetings	23,783	16,118	18,550	58,451	164,441
Repairs and maintenance	79,396	43,096	30,205	152,697	157,410
Insurance	19,802	7,302	4,712	31,816	24,897
Interest	51,317	18,923	12,211	82,451	99,522
Postage, printing and supplies	46,989	31,360	39,389	117,738	111,034
Miscellaneous	55,489	17,404	14,107	87,000	69,441
Total expenses	<u>\$ 22,282,089</u>	<u>\$ 1,102,579</u>	<u>\$ 911,515</u>	<u>\$ 24,296,183</u>	<u>\$ 18,866,618</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 (With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 100,913,600	\$ (19,689,263)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	262,692	257,111
Gain on disposal of property and equipment	-	(9)
Net (gain) loss on investments	(95,696,551)	27,152,774
Change in value of split-interest agreements	(1,254,453)	357,808
Change in value of perpetual trust held by third party	(370,217)	107,295
Change in cash surrender value of life insurance	(17,945)	(26,566)
Real estate interest	216,600	329,392
Changes in:		
Accounts receivable	460,361	(1,499,454)
Pledges receivable	444,150	494,850
Other assets	(29,942)	101,069
Accounts payable and accrued expenses	42,762	47,970
Liabilities under split-interest agreements	555,136	(245,263)
Deferred compensation	118,798	(11,446)
Deferred revenue	(9,604)	(9,229)
Grants payable	(2,112,985)	396,463
Endowments held for other not-for-profit organizations	7,615,964	(1,476,679)
Net cash flow from operating activities	<u>11,138,366</u>	<u>6,286,823</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(128,916)	(130,232)
Proceeds from disposal of property and equipment	-	1,000
Proceeds from sales and maturities of investments	31,989,653	24,015,308
Purchase of investments	<u>(42,118,046)</u>	<u>(29,502,616)</u>
Net cash flow from investing activities	<u>(10,257,309)</u>	<u>(5,616,540)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(540,934)</u>	<u>(271,426)</u>
Net cash flow from financing activities	<u>(540,934)</u>	<u>(271,426)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	340,123	398,857
CASH AND CASH EQUIVALENTS - beginning of year	<u>2,733,526</u>	<u>2,334,669</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 3,073,649</u>	<u>\$ 2,733,526</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

1. THE ORGANIZATION

Central New York Community Foundation, Inc. (the Community Foundation) is a not-for-profit, autonomous, publicly supported, philanthropic institution organized and operated primarily as a collection of charitable funds for the long-term benefit of the Central New York area. The Community Foundation's primary service is to receive, manage and disburse charitable funds.

CNY Philanthropy Center, LLC was incorporated in New York State to hold real property located at 431 E. Fayette Street in Syracuse, New York. This property is the home of the Community Foundation and a center for philanthropy.

The Community Foundation and CNY Philanthropy Center, LLC share certain common Board members and management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Community Foundation and CNY Philanthropy Center, LLC. In accordance with generally accepted accounting principles (GAAP), all significant intercompany transactions and balances have been eliminated in consolidation.

Change in Accounting Principle

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU eliminates, adds, and modifies certain disclosure requirements for fair value measurements. The standard is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Community Foundation has adopted this standard in fiscal 2021. The disclosure requirements are being applied on a retrospective approach. The adoption of this guidance had no impact on the consolidated statement of financial position and the consolidated statement of activities and change in net assets.

Financial Reporting

The Community Foundation reports its activities and the related net assets using the following categories:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions are those over which the Board of Directors of the Community Foundation retains control to use in achieving its institutional mission.

- **Net Assets With Donor Restrictions**

Net assets whose use by the Community Foundation is limited by donor-imposed stipulations that do not expire, donor-imposed stipulations that expire by the passage of time, or donor-imposed stipulations that can be fulfilled or removed by actions of the Community Foundation pursuant to those stipulations. In the case where the donor-imposed stipulation does not expire, the Community Foundation uses all or part of the investment return in accordance with donor wishes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts and money market funds, which, at times, may exceed federally insured limits. The Community Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents. The Community Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable mainly consist of amounts outstanding under the terms of several wills. If collection becomes doubtful, an allowance for doubtful accounts will be established or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. Management reviews the collectability of accounts receivable annually. The Community Foundation considers accounts receivable to be fully collectible.

Pledges Receivable

Pledges receivable represent amounts due to the Community Foundation under the terms of unconditional promises to give. The Community Foundation provides an allowance for doubtful pledges based upon management's review of outstanding pledges. No allowance for doubtful pledges was considered necessary at March 31, 2021 or 2020.

The difference between the carrying amount and present value of the pledges receivable is not considered material to the accompanying consolidated financial statements and has not been recorded by management.

Investments

Investments in marketable equity and debt securities with readily determinable market values are recorded at fair value based on quoted market prices. The fair value of other investments for which readily determinable market values do not exist, including hedge funds and funds of funds, limited partnerships, and alternative funds are recorded at fair value as determined by the Community Foundation with the assistance of external investment managers using methods and significant assumptions the Community Foundation considers appropriate based on its understanding of the underlying characteristics of the investments. Investment income, net (including realized gains and losses on investments, unrealized gains and losses on investments, interest, and dividends, net of investment fees) is included in revenue without donor restrictions unless restricted by donor or law.

The Community Foundation maintains an investment pool for its charitable funds. 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 the investment pool, as adjusted for additions to or deductions from the pool.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the consolidated statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Related Investments

Program related investments are investments that may not have been made were it not for the relationship of the investment to the Community Foundation's programmatic mission. The purpose of the Community Foundation's program related investments does not include appreciation or production of income, and investments must be consistent with the Community Foundation's mission. The Community Foundation records program related investments at cost, which approximates fair value, and evaluates for impairment annually. Currently, the Community Foundation is invested at a Syracuse-based nonprofit Community Development Financial Institution. Program related investments at March 31, 2021 and 2020 were \$250,000.

Fair Value Measurement

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Community Foundation. Unobservable inputs are inputs that reflect the Community Foundation's assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the Community Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following valuation techniques were used to measure fair value of assets as of March 31, 2021 and 2020:

- *Common stocks* - Fair value of common stock is based on closing price reported in the active market on which the individual securities are traded and utilizes level 1 inputs.
- *Equity and bond mutual funds* - Fair value of mutual funds is based on quoted market prices utilizing level 1 inputs.
- *Limited partnerships* - Fair value of the Community Foundation's partnership interests are valued based on the underlying investments within each partnership and the Community Foundation's percentage ownership in each partnership. Limited partnerships utilize level 3 inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

- *US treasury and governmental agency obligations* - Fair value of US Treasury and governmental agency obligations is based on quoted market prices utilizing level 1 inputs.
- *Corporate bonds* - Fair value of corporate bonds is determined by entering standard inputs into a pricing model. These inputs, listed in order of priority, include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data and industry and economic events. Corporate bonds utilize level 2 inputs.
- *Perpetual trust held by third party* - Fair value of the perpetual trust held by third party is based on quoted market prices of the underlying investments utilizing level 1 inputs.
- *Split-interest agreements (Charitable remainder unitrusts, charitable remainder annuity trusts, and charitable gift annuities)* - Fair value of the split-interest agreements are derived using the present value of expected future cash flows of the Community Foundation's interest in charitable remainder unitrusts, charitable remainder annuity trusts and charitable gift annuities using prevailing market rates and IRS published mortality rates. Split-interest agreements utilize level 1 and 3 inputs.
- *Pooled life income fund* - Fair value of the pooled life income fund is based on the Community Foundation's percent ownership of the fund's assets. The fund's assets are valued based on quoted market prices for identical securities utilizing level 1 inputs. These assets are included in split-interest agreements in the accompanying consolidated statement of financial position.

There were no changes to the valuation techniques during 2021 or 2020.

Split-Interest Agreements

The Community Foundation is a beneficiary of various trusts and other split-interest agreements. The Community Foundation's beneficial interest is measured at the discounted value of its expected future cash flows and is reported as net assets with donor restrictions. Liabilities are recorded at the present value of future cash flows, using discount rates ranging from .8% to 7%, and are expected to be paid to the designated beneficiary or beneficiaries. At the end of the trust and other split-interest agreements, the remaining assets will become available for the Community Foundation's use.

Perpetual Trust Held by Third Party

The assets held under this agreement are recorded at fair value based on quoted market prices of the underlying investments. Contribution revenue is recognized as support with donor restrictions at the present value of the estimated future cash receipts from the trust's assets. Under the terms of the trust, the Community Foundation has the irrevocable right to receive the income earned on the trust's assets in perpetuity; however, the Community Foundation will not receive the assets held in trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Surrender Value of Life Insurance

The Community Foundation receives various donations of life insurance policies, where the Community Foundation is both the owner and the beneficiary of the policies. Life insurance is recorded at the cash surrender value as provided to the Community Foundation by the insurer. Annual premiums on the policies paid by the donors to the Community Foundation are recorded as donations without donor restrictions.

Revenue Recognition

Contributions are recognized as revenue in the year an unconditional promise to give is received and are recorded at fair value. Contributions are recorded as support without donor restrictions or with donor restrictions, depending on the nature of the donor-imposed restrictions. When a donor-imposed restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions. Donor-imposed restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying consolidated financial statements.

Real Estate Interests

The Community Foundation has interests in parcels of real estate with several other companies, which are recorded at the appraised value, net of related debt.

Property and Equipment

Property and equipment is recorded at fair market value at date of donation or at cost if purchased. The Community Foundation capitalizes property and equipment in excess of \$1,000 with a useful life greater than two years. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets which range from three to forty years.

Endowments Held for Other Not-For-Profit Organizations

The Community Foundation accepts funds from, and holds certain assets for the benefit of, other not-for-profit organizations. These funds are not considered assets of the Community Foundation and therefore are shown as endowments held for other not-for-profit organizations in the consolidated statement of financial position.

Funds Designated for Donor Advisement

The Community Foundation maintains certain funds that are "designated for donor advisement" as noted on the consolidated statement of financial position within net assets without donor restrictions (see Note 15). The Community Foundation charges these funds a management fee, which is transferred to the operating fund within other net assets without donor restrictions. These transfers amounted to \$583,201 and \$553,812 in 2021 and 2020, respectively.

Donor Restrictions

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the consolidated statements of activities and change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts-In-Kind

Gifts of real property and donations other than cash are recognized at their fair value in the period received. It is the Community Foundation's policy to sell gifts of real property and investments immediately.

Contributed Services

A substantial number of volunteers have made significant contributions of their time to the Community Foundation. The value of this contributed time is not reflected in the consolidated financial statements as it does not meet the criteria for recognition.

Grants

Grants are recorded as an expense of the Community Foundation when they are approved by the Board of Directors.

Allocation of Certain Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Those expenses include salaries, payroll taxes, employee benefits, depreciation, and occupancy related costs. Salaries, payroll taxes and employee benefits are allocated based on time spent on program activities and time spent on supporting activities. Depreciation and occupancy related expenses are allocated based on square footage used.

Wills, Trusts and Estates

The Community Foundation is the beneficiary under various will and trust agreements, the total realizable value of which is not presently determinable; therefore, these amounts are not recorded until the donor is deceased and no longer able to change their beneficiary.

Investment Fees

Net investment returns include certain fees paid by the various investment funds to their affiliated investment advisor, transfer agents and others as described in each fund prospectus or other published documents. These fees are deducted prior to allocation of the Community Foundation's investment earnings activity and thus not separately identifiable as an expense.

Income Taxes

The Community Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a) of the Code.

CNY Philanthropy Center, LLC is a single member limited liability company and as such, is a disregarded entity for federal and state income tax purposes.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Information

The consolidated financial statements include certain prior-year summarized information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Community Foundation's consolidated financial statements for the year ended March 31, 2020, from which the summarized information was derived.

3. LIQUIDITY

The following reflects the Community Foundation's financial assets available to meet cash needs for general expenditures within one year as of March 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,073,649	\$ 2,733,526
Accounts receivable	4,790,074	5,250,435
Pledges receivable	526,696	970,846
Investments	345,786,059	239,961,115
Program related investments	250,000	250,000
Split-interest agreements	5,496,528	4,242,075
Perpetual trust held by third party	1,462,140	1,091,923
Cash surrender value of life insurance	<u>595,106</u>	<u>577,161</u>
Financial assets, at year end	<u>361,980,252</u>	<u>255,077,081</u>
Less those unavailable for general expenditures within one year, due to:		
Investments with limits on liquidation	2,586,068	1,219,898
Board designations (quasi-endowment)	70,154,236	48,001,151
Designated for donor advisement	133,243,789	95,602,817
Restricted by donors with time restrictions	2,731,699	2,182,121
Restricted by donors with purpose restrictions	70,703,647	50,757,813
Restricted by donors in perpetuity	7,652,624	7,282,407
Endowments held for other not-for-profit organizations	<u>21,877,084</u>	<u>14,261,120</u>
Total amounts unavailable for general expenditures within one year	<u>308,949,147</u>	<u>219,307,327</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 53,031,105</u>	<u>\$ 35,769,754</u>

3. LIQUIDITY (Continued)

The Community Foundation has a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Community Foundation's financial assets as of March 31, 2021 and 2020 are reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the consolidated statement of financial position date have not been subtracted as unavailable.

4. PLEDGES RECEIVABLE

Pledges receivable are due as follows for the fiscal year ending March 31:

2022	\$	521,196
2023		2,850
2024		1,550
2025		1,050
2026		<u>50</u>
	\$	<u>526,696</u>

5. INVESTMENTS

Investments consisted of the following at March 31:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,186,665	\$ 2,696,645
Common stocks	14,681,712	5,024,594
Equity mutual funds	85,325,162	43,077,290
Bond mutual funds	21,844,406	14,743,455
Limited partnerships	9,455,570	6,832,096
U.S. Treasury and governmental agency obligations	3,617,907	15,042,727
Corporate bonds	7,808,212	8,543,195
Hedge funds and funds of funds	58,859,512	44,078,838
Alternative funds	<u>143,006,913</u>	<u>99,922,275</u>
	<u>\$ 345,786,059</u>	<u>\$ 239,961,115</u>

Investment management fees were approximately \$1,792,000 and \$1,761,000 for the years ended March 31, 2021 and 2020, respectively. These fees have been included in "investment income, net" in the accompanying consolidated statement of activities and change in net assets.

6. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at March 31, 2021:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 14,681,712	\$ -	\$ -	\$ 14,681,712
Equity mutual funds	85,325,162	-	-	85,325,162
Bond mutual funds	21,844,406	-	-	21,844,406
Limited partnerships	-	-	9,455,570	9,455,570
U.S. Treasury and governmental agency obligations	3,617,907	-	-	3,617,907
Corporate bonds	<u>-</u>	<u>7,808,212</u>	<u>-</u>	<u>7,808,212</u>
Total investments, at fair value	<u>125,469,187</u>	<u>7,808,212</u>	<u>9,455,570</u>	<u>142,732,969</u>
Investments measured at net asset value (NAV)				<u>201,866,425</u>
Total investments				<u>344,599,394</u>
Perpetual trust held by third party	1,462,140	-	-	1,462,140
Split-interest agreements:				
Beneficial interest in split-interest agreements	-	-	1,813,434	1,813,434
Assets in split-interest agreements -				
Equity mutual funds	2,108,457	-	-	2,108,457
Bond mutual funds	<u>1,574,637</u>	<u>-</u>	<u>-</u>	<u>1,574,637</u>
	<u>5,145,234</u>	<u>-</u>	<u>1,813,434</u>	<u>6,958,668</u>
Total	<u>\$ 130,614,421</u>	<u>\$ 7,808,212</u>	<u>\$ 11,269,004</u>	<u>\$ 351,558,062</u>

The following are measured at fair value on a recurring basis at March 31, 2020:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 5,024,594	\$ -	\$ -	\$ 5,024,594
Equity mutual funds	43,077,290	-	-	43,077,290
Bond mutual funds	14,743,455	-	-	14,743,455
Limited partnerships	-	-	6,832,096	6,832,096
U.S. Treasury and governmental agency obligations	15,042,727	-	-	15,042,727
Corporate bonds	<u>-</u>	<u>8,543,195</u>	<u>-</u>	<u>8,543,195</u>
Total investments, at fair value	<u>77,888,066</u>	<u>8,543,195</u>	<u>6,832,096</u>	<u>93,263,357</u>
Investments measured at net asset value (NAV)				<u>144,001,113</u>
Total investments				<u>237,264,470</u>
Perpetual trust held by third party	1,091,923	-	-	1,091,923
Split-interest agreements:				
Beneficial interest in split-interest agreements	-	-	1,470,647	1,470,647
Assets in split-interest agreements -				
Equity mutual funds	1,577,721	-	-	1,577,721
Bond mutual funds	<u>1,193,707</u>	<u>-</u>	<u>-</u>	<u>1,193,707</u>
	<u>3,863,351</u>	<u>-</u>	<u>1,470,647</u>	<u>5,333,998</u>
Total	<u>\$ 81,751,417</u>	<u>\$ 8,543,195</u>	<u>\$ 8,302,743</u>	<u>\$ 242,598,468</u>

6. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Measurements

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring measurements. The Community Foundation's Board of Directors assesses and approves these policies and procedures. At least annually, Management: (1) determines if the current valuation techniques used in fair value measurements are still appropriate, and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

Limited Partnerships

At March 31, 2021, the Community Foundation invests in eight limited partnerships that invest in equity securities, debt and debt-like securities (both privately and publicly traded), secured and unsecured loans, and real estate partnerships. Interests in limited partnerships are based on valuations per share provided by the general partners of the respective partnership as of March 31, 2021, adjusted for cash receipts, cash disbursements, and securities distributions through March 31, 2021. Investments in this category for which there is no readily determinable fair value are classified as level 3 as the valuation is based on significant unobservable inputs. The limited partnerships, valued at \$9,455,570 at March 31, 2021, are ineligible for redemptions until such time and in such amounts as determined by the General Partners. When the underlying assets are sold, the proceeds, less any incentives due the General Partners, will be distributed to the Limited Partners. There are no other known circumstances under which these investments might be unredeemable. At March 31, 2021, there are unfunded commitments on limited partnerships totaling \$4,363,817.

The Community Foundation had purchases and sales of its level 3 limited partnerships totaling \$2,070,756 and \$314,946, respectively for the year ended March 31, 2021. The Community Foundation had purchases and sales of its level 3 limited partnerships totaling \$2,120,998 and \$522,769, respectively for the year ended March 31, 2020.

Beneficial Interest in Split Interest Agreements

The Community Foundation invests in four split interest agreements that invest in equity securities of companies operating within charitable remainder unitrust investment funds in which the Community Foundation is not the trustee. Investments in this category are classified as Level 3 due to the illiquidity of the funds as redemptions are not permitted during the life of the funds.

The Community Foundation had no purchases and sales of its level 3 beneficial interest in split interest agreements for the fiscal years ended March 31, 2021 and 2020.

6. FAIR VALUE MEASUREMENTS (Continued)

Net Asset Value

The Community Foundation had the following investments that are valued using net asset value at March 31, 2021:

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge funds and funds of funds:				
Hedge funds and funds of funds - liquid	\$ 45,925,486	\$ -	Monthly - Annual	60 - 180 days
Hedge funds and funds of funds - illiquid	12,934,026	9,950,211	-	-
Alternative funds - equities				
- liquid	59,625,505	-	Monthly - Quarterly	30 - 90 days
Alternative funds - fixed income - liquid	15,742,382	-	Bi-Monthly	5 days
Alternative funds - emerging/global equities - liquid	<u>67,639,026</u>	<u>-</u>	Monthly - Annual	10 - 180 days
Total	<u>\$ 201,866,425</u>	<u>\$ 9,950,211</u>		

The Community Foundation had the following investments that are valued using net asset value at March 31, 2020:

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge funds and funds of funds:				
Hedge funds and funds of funds - liquid	\$ 35,702,351	\$ -	Monthly - Annual	60 - 180 days
Hedge funds and funds of funds - illiquid	8,376,487	15,208,583	-	-
Alternative funds - equities				
- liquid	33,098,059	-	Monthly - Annual	30 - 90 days
Alternative funds - fixed income - liquid	22,845,042	-	Bi-Monthly - Monthly	5 - 15 days
Alternative funds - emerging/global equities - liquid	<u>43,979,174</u>	<u>-</u>	Monthly - Quarterly	5 - 180 days
Total	<u>\$ 144,001,113</u>	<u>\$ 15,208,583</u>		

Hedge Funds and Funds of Funds

At March 31, 2021, the Community Foundation invests in twenty hedge funds and funds of funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers. These funds invest in private, primarily via pooled vehicles, offered by professional investment managers. Six of these investments are subject to an initial lock-up period that prohibits redemption for the first two to three years after purchase. Redemptions can be made quarterly or annually after the initial lock-up period has lapsed, at which time redemptions are allowed with 5 to 180 days' notice. There are no unfunded commitments for these funds at March 31, 2021. For the remaining fourteen investments, redemptions may not be made. There were unfunded commitments for these funds of \$9,950,211 at March 31, 2021.

6. FAIR VALUE MEASUREMENTS (Continued)

Alternative Funds

Alternative funds consist of the Community Foundation's investments in limited liability companies and limited partnerships for the purpose of long-term growth. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers. At March 31, 2021, all alternative funds are available for redemption within one year of the balance sheet date. Redemptions can be made monthly, bi-monthly or quarterly with 5 to 180 days' notice. There are no unfunded commitments for these funds.

7. SPLIT-INTEREST AGREEMENTS

Split-interest agreements consisted of the following at March 31:

	<u>2021</u>		<u>2020</u>	
	<u>Asset</u>	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Charitable remainder trusts	\$ 4,155,889	\$ 2,244,667	\$ 3,137,693	\$ 1,753,720
Pooled life income fund	506,997	281,626	425,689	204,702
Charitable gift annuities	<u>833,642</u>	<u>346,068</u>	<u>678,693</u>	<u>358,803</u>
	<u>\$ 5,496,528</u>	<u>\$ 2,872,361</u>	<u>\$ 4,242,075</u>	<u>\$ 2,317,225</u>

8. REAL ESTATE INTERESTS

At March 31, 2021 and 2020, the Community Foundation has a 37% interest in a limited partnership, which has been recorded at the Community Foundation's share of the estimated value. The estimated value is comparable to the sales price received for partial sale of real estate in the year ended March 31, 2008 and is considered to approximate fair value at March 31, 2021. A 2-acre parcel of land is the partnership's sole asset. Under the terms of the donor agreement, the donor has agreed to contribute up to \$20,000 per year for the Community Foundation's share of ordinary carrying costs on the partnership property. The Community Foundation's interest in this property amounted to \$10,800 and \$77,400 at March 31, 2021 and 2020, respectively.

At March 31, 2021 and 2020, the Community Foundation has a 45% interest in a limited partnership, which has been recorded at the Community Foundation's share of the estimated value at year end. The estimated value is based on an appraisal performed on November 1, 2011 and is considered to approximate fair value at March 31, 2021. A .52-acre parcel of land is the partnership's sole asset. The Community Foundation's interest in this property amounted to \$22,500 at both March 31, 2021 and 2020.

The Community Foundation had a 32% interest in a commercial property which had a carrying value of \$150,000 at March 31, 2020. During fiscal 2021, the Community Foundation sold this property for \$150,000.

9. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 253,775	\$ 253,775
Land improvements	55,856	55,856
Furniture and fixtures	961,011	848,348
Buildings and improvements	<u>5,851,390</u>	<u>5,835,137</u>
	7,122,032	6,993,116
Less: Accumulated depreciation	<u>(2,964,314)</u>	<u>(2,701,622)</u>
Property and equipment, net	<u>\$ 4,157,718</u>	<u>\$ 4,291,494</u>

Depreciation expense amounted to \$262,692 and \$257,111 in 2021 and 2020, respectively.

10. DEFERRED COMPENSATION

The Community Foundation sponsors a deferred compensation plan for key employees. The assets of the deferred compensation plans will be distributed at the earlier of termination of employment, retirement, at age 70½ years, or death. The liability for deferred compensation plans amounted to \$350,876 and \$232,078 at March 31, 2021 and 2020, respectively.

11. GRANTS PAYABLE

Grants payable consisted of unconditional promises to give to other organizations, which had not been paid as of March 31, 2021. These amounts are payable as follows in the years ending March 31:

2022	\$ 1,117,870
2023	297,613
2024	123,800
2025	25,500
2026	<u>5,000</u>
	<u>\$ 1,569,783</u>

12. ENDOWMENTS HELD FOR OTHER NOT-FOR-PROFIT ORGANIZATIONS

The Community Foundation accepts funds from, and holds funds for the benefit of, other not-for-profit organizations. These funds are not considered assets of the Community Foundation and therefore are shown as “Endowments held for other not-for-profit organizations” in the accompanying consolidated statement of financial position.

Total endowments held for other not-for-profit organizations activity consisted of the following for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Contributions	\$ 2,171,414	\$ 2,109,146
Investment activity	6,020,772	(1,671,399)
Grants	<u>(576,222)</u>	<u>(1,914,426)</u>
Net change in endowments held for other not-for-profit organizations	7,615,964	(1,476,679)
Endowments held for other not-for-profit organizations - beginning of year	<u>14,261,120</u>	<u>15,737,799</u>
Endowments held for other not-for-profit organizations - end of year	<u>\$ 21,877,084</u>	<u>\$ 14,261,120</u>

13. NOTE PAYABLE

The CNY Philanthropy Center, LLC has a note payable with a bank. The note requires quarterly payments of \$155,846 including interest at 3.03% through January 2025. This note payable is secured by certain assets of the Community Foundation. Required future principal payments are as follows in the fiscal years ending March 31:

2022	\$ 558,004
2023	575,345
2024	593,225
2025	<u>611,066</u>
	<u>\$ 2,337,640</u>

Supplemental Cash Flow Information

Interest paid and expensed during 2021 and 2020 on the note payable was \$82,451 and \$99,522, respectively.

14. NET ASSETS

Included in net assets without donor restrictions is \$133,243,789 and \$95,602,817 of donor advised funds at March 31, 2021 and 2020, respectively. Grant recommendations are accepted from the donors or other advisors of these funds, although the Community Foundation retains variance power; therefore, the ultimate discretion of the use of these funds lies with the Board of Directors of the Community Foundation. Thus, such funds represent net assets without donor restrictions of the Community Foundation.

The Community Foundation's Board of Directors has designated \$70,154,236 and \$48,001,151 of net assets without donor restrictions as Board designated endowment at March 31, 2021 and 2020, respectively.

Net assets with donor restrictions consisted of the following at March 31:

	<u>2021</u>	<u>2020</u>
Charitable remainder trusts - time restriction	\$ 1,911,222	\$ 1,383,973
Pooled life income fund - time restriction	225,371	220,987
Cash surrender value of life insurance - time restriction	595,106	577,161
Scholarships - purpose restrictions	53,309,797	38,296,628
Field of interest - purpose restrictions	8,204,702	5,818,089
Perpetual	7,652,624	7,282,407
Other - purpose restrictions	<u>9,189,148</u>	<u>6,643,096</u>
	<u>\$ 81,087,970</u>	<u>\$ 60,222,341</u>

During 2021 and 2020, approximately \$3,894,000 and \$4,222,000, respectively, was released from restriction through the passage of time and satisfaction of donor restrictions.

The face value of the donated life insurance policies was approximately \$1,479,000 at March 31, 2021 and 2020.

15. ENDOWMENT FUNDS

The Community Foundation's endowment net assets consist of the following at March 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 70,154,236	\$ -	\$ 70,154,236
Donor-restricted endowment funds	<u>-</u>	<u>12,022,030</u>	<u>12,022,030</u>
Total endowment funds	<u>\$ 70,154,236</u>	<u>\$ 12,022,030</u>	<u>\$ 82,176,266</u>

The Community Foundation's endowment net asset funds consist of the following at March 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 48,001,151	\$ -	\$ 48,001,151
Donor-restricted endowment funds	<u>-</u>	<u>10,307,039</u>	<u>10,307,039</u>
Total endowment funds	<u>\$ 48,001,151</u>	<u>\$ 10,307,039</u>	<u>\$ 58,308,190</u>

15. ENDOWMENT FUND (Continued)

Changes in endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, April 1, 2019:	\$ 57,661,535	\$ 11,064,018	\$ 68,725,553
Donations	347,962	-	347,962
Change in value of perpetual trust – held by third party	-	(107,295)	(107,295)
Investment income, net of fees	582,081	38,870	620,951
Realized/unrealized losses	(6,444,990)	(470,014)	(6,915,004)
Other income	70,571	-	70,571
Grants paid	(934,445)	(174,225)	(1,108,670)
Appropriations/transfers	(1,950,154)	-	(1,950,154)
Other expenses	(2,864,353)	(44,315)	(2,908,668)
Administrative fees	<u>1,532,944</u>	<u>-</u>	<u>1,532,944</u>
Endowment net assets, March 31, 2020:	\$ 48,001,151	\$ 10,307,039	\$ 58,308,190
Donations	1,004,362	-	1,004,362
Change in value of perpetual trust – held by third party	-	370,217	370,217
Investment income, net of fees	320,923	21,775	342,698
Realized/unrealized gains	24,995,440	1,557,652	26,553,092
Other income	406,831	-	406,831
Grants paid	(837,927)	(190,600)	(1,028,527)
Appropriations/transfers	(2,467,561)	-	(2,467,561)
Other expenses	(2,927,090)	-	(2,927,090)
Administrative fees	<u>1,658,107</u>	<u>(44,053)</u>	<u>1,614,054</u>
Endowment net assets, March 31, 2021	<u>\$ 70,154,236</u>	<u>\$ 12,022,030</u>	<u>\$ 82,176,266</u>

Interpretation of Relevant Law

New York Not-for-Profit Corporation Law includes an article known as the “Prudent Management of Institutional Funds Act.” The Community Foundation’s Board of Directors has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on endowment gifts, beyond the original gift amount, follows the donor’s restrictions on the use of the related income.

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Community Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no deficiencies reported at March 31, 2021 or 2020.

Return Objectives and Risk Parameters

The Community Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include donor-restricted funds that the Community Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve capital, considering the impact of inflation, strive for consistent annual total returns, achieve long-term total returns which meet or exceed inflation, plus spending for operations and grants and earn the highest possible return given the risk tolerance established by the Community Foundation. The Community Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7.6% annually. Actual returns in any given year may vary from this amount.

15. ENDOWMENT FUND (Continued)

Strategies Employed for Achieving Objectives

The Community 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 Community Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy and Investment Objectives

The Community Foundation uses the total return strategy for endowment fund income. Under this concept, endowment income to be distributed was established at 5.4%, based upon the average of the market value of the endowment asset accounts. If the total return amount exceeds the actual earnings of the endowment funds in any one year, then the amount needed to fund such excess will first be taken from the accumulated excess earnings from prior years, then from the accumulated net capital gains of endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the endowment fund balance.

16. RETIREMENT PLAN

The Community Foundation sponsors a 401(k) defined contribution retirement plan (the Plan). For fiscal 2020, the Community Foundation matched 100% of contributions up to a limit set annually by the Board of Directors for all employees who completed 1,000 hours of service a year. Effective April 1, 2020, the Plan was amended to a safe-harbor plan whereby the Community Foundation matches 100% of employee contributions up to 5% for all eligible employees as defined by the Plan. Further, the Plan added an automatic enrollment feature. The Community Foundation's contributions amounted to \$171,480 and \$155,392 in 2021 and 2020, respectively.

17. LOAN GUARANTEE

In March 2020, the Community Foundation entered into a guaranty agreement on a pool of mortgage loans held by an unrelated party, which is a Syracuse-based Community Development Financial Institution. The Community Foundation guarantees the payment obligations of the unrelated party up to a maximum of \$500,000. The Community Foundation annually reviews the financial projection of the unrelated party to determine if the loan obligation can be fulfilled. Based upon management's most recent review, the Community Foundation has determined that no liability is necessary for this loan as of March 31, 2021.

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 2, 2021, which is the date the consolidated financial statements were available to be issued.