

**THE COMMUNITY FOUNDATION  
OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION**

**CONSOLIDATED FINANCIAL REPORT**

**DECEMBER 31, 2019**

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Independent Auditor's Report  
on the Financial Statements

To the Board of Directors  
The Community Foundation  
of Greater Chattanooga, Inc.  
Chattanooga, Tennessee

We have audited the accompanying consolidated financial statements of The Community Foundation of Greater Chattanooga, Inc. (a nonprofit organization) and supporting organization (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the 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 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 audits. We conducted our audits 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 Foundation'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 Foundation'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 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.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Community Foundation of Greater Chattanooga, Inc. and supporting organization as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
November 2, 2020

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22,880,826	\$ 28,170,226
Investments, at fair value, cost basis of \$87,273,175 in 2019 and \$73,539,271 in 2018	126,986,796	99,371,063
Contributions receivable	36,346,862	20,234,637
Property and equipment, less accumulated depreciation of \$73,889 in 2019 and \$171,120 in 2018	2,062,890	2,021,884
Other assets	124,475	25,972
<b>Total assets</b>	<b>\$ 188,401,849</b>	<b>\$ 149,823,782</b>
<b>LIABILITIES</b>		
Grants payable	\$ 3,467,390	\$ 3,152,975
Accounts payable	12,163	79,733
Funds held as agency endowments	5,357,307	4,198,453
Note payable	1,344,020	1,468,013
Other liabilities	55,939	48,152
<b>Total liabilities</b>	<b>10,236,819</b>	<b>8,947,326</b>
<b>NET ASSETS</b>		
Without donor restrictions	130,869,542	118,857,834
With donor restrictions	47,295,488	22,018,622
<b>Total net assets</b>	<b>178,165,030</b>	<b>140,876,456</b>
<b>Total liabilities and net assets</b>	<b>\$ 188,401,849</b>	<b>\$ 149,823,782</b>

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC. AND SUPPORTING ORGANIZATION

CONSOLIDATED STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>						
Contributions	\$ 17,473,752	\$23,903,684	\$ 41,377,436	\$ 30,254,106	\$ 226,265	\$ 30,480,371
Change in value of contributions receivable	-	1,134,165	1,134,165	-	(1,871,936)	(1,871,936)
Interest and dividend income, net of investment expenses	1,494,723	114,545	1,609,268	907,157	13,163	920,320
Net realized and unrealized gains (losses) on investments	15,942,838	677,142	16,619,980	(1,475,091)	(134,172)	(1,609,263)
Other income	139,751	-	139,751	151,451	2,750	154,201
<b>Total revenues</b>	<b>35,051,064</b>	<b>25,829,536</b>	<b>60,880,600</b>	<b>29,837,623</b>	<b>(1,763,930)</b>	<b>28,073,693</b>
Net assets released from restrictions:						
Satisfaction of program restrictions	552,670	(552,670)	-	975,637	(975,637)	-
<b>Total revenues and other support</b>	<b>35,603,734</b>	<b>25,276,866</b>	<b>60,880,600</b>	<b>30,813,260</b>	<b>(2,739,567)</b>	<b>28,073,693</b>
<b>OPERATING EXPENSES</b>						
Program services	22,187,985	-	22,187,985	21,516,688	-	21,516,688
Supporting services	1,130,043	-	1,130,043	836,639	-	836,639
Fundraising expenses	273,998	-	273,998	209,537	-	209,537
<b>Total operating expenses</b>	<b>23,592,026</b>	<b>-</b>	<b>23,592,026</b>	<b>22,562,864</b>	<b>-</b>	<b>22,562,864</b>
Change in net assets	12,011,708	25,276,866	37,288,574	8,250,396	(2,739,567)	5,510,829
NET ASSETS, beginning of year	118,857,834	22,018,622	140,876,456	110,607,438	24,758,189	135,365,627
NET ASSETS, end of year	\$130,869,542	\$47,295,488	\$178,165,030	\$ 118,857,834	\$22,018,622	\$140,876,456

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC. AND SUPPORTING ORGANIZATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2019 and 2018

	2019				2018			
	Program Services	Supporting Services	Fundraising Expenses	Total	Program Services	Supporting Services	Fundraising Expenses	Total
EXPENSES								
Salaries and wages	\$ 305,411	\$ 403,056	\$ 224,744	\$ 933,211	\$ 244,164	\$ 321,745	\$ 171,117	\$ 737,026
Employee benefits	50,585	71,435	33,662	155,682	42,906	63,208	26,950	133,064
Payroll taxes	22,099	28,327	15,592	66,018	17,484	24,237	11,470	53,191
Total employee expense	378,095	502,818	273,998	1,154,911	304,554	409,190	209,537	923,281
Grants	21,809,890	-	-	21,809,890	21,212,134	-	-	21,212,134
Professional fees	-	125,307	-	125,307	-	93,638	-	93,638
Marketing	-	35,483	-	35,483	-	53,897	-	53,897
Office	-	28,595	-	28,595	-	26,109	-	26,109
Information technology	-	64,510	-	64,510	-	43,052	-	43,052
Occupancy	-	131,757	-	131,757	-	77,756	-	77,756
Travel, meetings, and conferences	-	65,964	-	65,964	-	43,522	-	43,522
Dues and subscriptions	-	13,779	-	13,779	-	7,846	-	7,846
Equipment maintenance	-	10,129	-	10,129	-	7,792	-	7,792
Postage and shipping	-	7,292	-	7,292	-	6,231	-	6,231
Insurance	-	14,848	-	14,848	-	12,103	-	12,103
Depreciaton	-	41,617	-	41,617	-	-	-	-
Interest	-	51,558	-	51,558	-	-	-	-
Miscellaneous	-	36,386	-	36,386	-	55,503	-	55,503
Total functional expenses	<u>\$22,187,985</u>	<u>\$1,130,043</u>	<u>\$ 273,998</u>	<u>\$23,592,026</u>	<u>\$21,516,688</u>	<u>\$ 836,639</u>	<u>\$ 209,537</u>	<u>\$22,562,864</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 37,288,574	\$ 5,510,829
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	41,617	-
Net realized and unrealized (gains) losses on investments	(16,619,980)	1,609,263
Change in operating assets and liabilities:		
Contributions receivable	(16,112,225)	1,871,936
Grants payable	314,415	2,886,338
Accounts payable	(67,570)	54,236
Funds held as agency endowments	1,158,854	369,645
Other assets and liabilities	(90,716)	16,654
	5,912,969	12,318,901
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	31,999,176	34,958,835
Purchases of investments	(42,994,929)	(38,692,904)
Purchases of property and equipment	(82,623)	(2,021,884)
	(11,078,376)	(5,755,953)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	-	1,480,000
Payments on note payable	(123,993)	(11,987)
	(123,993)	1,468,013
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(5,289,400)	8,030,961
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	28,170,226	20,139,265
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 22,880,826	\$ 28,170,226
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 51,558	\$ -

The Notes to Consolidated Financial Statements are an integral part of these statements.



THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 1. Nature of Operations and Significant Accounting Policies

The accounting and reporting policies of The Community Foundation of Greater Chattanooga, Inc. and supporting organization (the Foundation) conform with United States generally accepted accounting principles (GAAP) and practices within the not-for-profit industry. The Financial Accounting Standards Board (FASB) has adopted the FASB Accounting Standards Codification (ASC) as the single source of authoritative nongovernmental GAAP.

The policies that materially affect financial position and results of operations are summarized as follows:

Nature of operations:

The Foundation is a public charity which receives, holds, invests, and distributes assets contributed by individuals and organizations for the benefit of Chattanooga, its citizens, and its institutions. The mission of the Foundation is to encourage giving and inspire action to improve lives in the Chattanooga area. The Foundation works to achieve its mission through grantmaking, stewardship, donor services, leadership, and resource development.

Principles of consolidation:

The consolidated financial statements include the accounts of The Community Foundation of Greater Chattanooga, Inc. and supporting organization, the Howard Fund (the Fund). All material intercompany accounts and transactions have been eliminated in consolidation.

The Fund is a subsidiary of The Community Foundation of Greater Chattanooga, Inc. that has its own charitable status, board of directors, bylaws, investment policies, and grant priorities. Through its close connection to The Community Foundation of Greater Chattanooga, Inc., the Fund is conferred public charity status and receives all of the associated tax benefits.

Use of estimates:

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

Functional expenses:

Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 1. Nature of Operations and Significant Accounting Policies (continued)

Basis of presentation:

To ensure observances of limitations and restrictions placed on the use of resources available to the Foundation, resources are classified for accounting and financial reporting purposes into categories established according to their nature and purpose in the two categories as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the Foundation and its purposes.

*Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has passed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net assets without donor restrictions are further classified as donor-advised or unrestricted. Donor-advised net assets represent net assets whereby the donor may suggest specific uses of the funds, and such donor suggestions are considered by, but are not binding upon, the Foundation as it makes grant decisions. Unrestricted net assets are available for use as determined by management and the Board of Directors for discretionary grants and the general operation of the Foundation.

Revenue recognition:

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and establishes standards for characterizing grants and similar contracts with resource providers as contributions (nonreciprocal) subject to ASC Topic 958, or as exchange transactions (reciprocal) subject to ASC Topic 606. For the year ending December 31, 2019, the Foundation adopted ASU 2018-08. The adoption of ASU 2018-08 did not have an impact on the timing of the Foundation's revenue recognition.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 1. Nature of Operations and Significant Accounting Policies (continued)

Revenue is reported as increases in net assets without donor restrictions unless use of the related asset 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 and 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 donor-imposed restrictions in net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions are recorded as revenue in the period received or upon the receipt of an unconditional promise to give. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of appreciated assets are recorded at the estimated fair value at the date of receipt by the Foundation.

Property and equipment:

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective classes of assets using the straight-line method. Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized.

Income tax status:

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

The Foundation accounts for income taxes in accordance with income tax accounting guidance in ASC Topic 740. The Foundation recognizes deferred tax assets if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The Foundation follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Foundation's non-taxable status would not have a material effect on the Foundation's consolidated financial statements. With few exceptions, the Foundation is no longer subject to tax examinations by tax authorities for years before 2016.

Cash and cash equivalents:

The Foundation considers all cash and highly-liquid investments with an original maturity of three months or less to be cash equivalents.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 1. Nature of Operations and Significant Accounting Policies (continued)

Investments:

Investments are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Fair values of marketable securities with readily determinable fair values are based on quoted market prices. Fair values of nontraditional investments are based on information provided by the administrators of the underlying funds. Management evaluates the valuations provided by fund administrators, and management believes such values are reasonable estimates of fair value. Investment income or loss, net of investment expenses, (including gains and losses on investments, interest, and dividends) is included in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Grants:

Unconditional grants are recorded as expenses when they are approved by the Board of Directors for payment. Conditional grants are expensed only when the conditions on which they were granted are substantially met.

Concentrations of credit and market risk:

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash and cash equivalents and investments. The Foundation places its cash and cash equivalents with financial institutions and limits the amount of credit exposure to any one financial institution. The Foundation has not experienced any losses on its cash and cash equivalents. The Foundation's investments do not represent significant concentrations of market risk inasmuch as the Foundation's investment portfolio is diversified among many issuers.

New accounting pronouncements:

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). In June 2020, FASB issued ASU 2020-05, *Revenue from Contract with Customers (Topic 606) and Leases (Topic 842)*, permitting the deferral of the effective date of ASU 2014-09 to annual reporting periods beginning after December 15, 2019. The Foundation has elected to adopt ASU 2020-05. The Foundation is currently in the process of evaluating the impact of adoption of this guidance on the consolidated financial statements and does not anticipate it to have a significant impact on the timing of revenue recognition.

Subsequent events:

Management performed an evaluation of subsequent events through November 2, 2020, the date these consolidated financial statements were available to be issued.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 2. Liquidity and Availability

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2019 and 2018:

	2019	2018
Cash and cash equivalents	\$ 6,499,548	\$ 6,515,585
Investments	35,316,336	30,369,902
Other assets	100,000	-
	<u>\$41,915,884</u>	<u>\$36,885,487</u>

Note 3. Funds of the Foundation

The Foundation has established a Management Support Fund to pay certain occupancy and administrative expenses. The Management Support Fund assesses the funds of the Foundation a management fee based on total assets of the funds for the payment of administrative expenses. Total management fees charged to the funds by the Management Support Fund were \$1,904,207 in 2019 and \$1,815,132 in 2018.

Note 4. Investments

A summary of investments at December 31, 2019 and 2018, is as follows:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
U.S. Government and corporate bonds	\$ 5,524,427	\$ 5,703,692	\$ 5,809,405	\$ 5,829,546
Common stocks	33,672,488	48,132,525	28,825,191	35,378,281
Limited partnerships	5,449,450	11,661,108	5,220,300	11,518,944
Commingled stock funds	5,456,513	10,149,625	7,331,504	10,128,148
Commingled bond funds	2,035,523	3,007,627	1,968,761	2,752,208
Global hedge funds	17,468,952	27,022,626	15,068,952	21,453,462
Mutual funds	16,767,741	17,611,358	7,890,917	8,269,027
Real estate funds	477,129	1,701,318	1,063,379	2,230,783
Other	420,952	1,996,917	360,862	1,810,664
Total	<u>\$87,273,175</u>	<u>\$126,986,796</u>	<u>\$73,539,271</u>	<u>\$99,371,063</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 4. Investments (continued)

At December 31, 2019 and 2018, the fair values of investments totaling \$42,381,969 and \$37,013,853, respectively, are based on valuations for which a readily determinable fair value does not exist. These investments are not listed on national exchanges or over-the-counter markets, and quoted market prices are not available. These investments include limited partnerships, private equity funds, and other types of non-traditional investments. Management estimates the fair values of these investments based on a review of all available information provided by fund managers and general partners. These fair value estimates are evaluated on a regular basis by management and are susceptible to revisions as more information becomes available. Because of these factors, it is reasonably possible that the estimated fair values of these investments may change materially in the near term.

The Foundation invests in certain entities with minimum capital commitments requiring additional capital contributions due upon request. As of December 31, 2019 and 2018, unfunded capital commitments totaled \$812,800 and \$1,158,170, respectively.

Note 5. Contributions Receivable

At December 31, 2019 and 2018, contributions receivable consist of the following:

	<u>2019</u>	<u>2018</u>
Charitable lead annuity trust with annual payments to the Foundation of \$100,000; remaining term of 9 years	\$ 696,970	\$ 780,169
Charitable remainder unitrusts for which all or a portion of the remaining assets will be distributed to the Foundation at the end of the trusts' terms; term for each trust is the lifetime of the beneficiary with minimum payout periods remaining of one to 38 years in the event of death of the beneficiary during this time	35,402,532	19,313,391
Charitable lead unitrust with annual payments to the Foundation of 4% of the fair market value of the trust assets; remaining term of 18 years	<u>247,360</u>	<u>141,077</u>
	<u>\$36,346,862</u>	<u>\$20,234,637</u>

Contributions receivable are due as follows:

	<u>2019</u>	<u>2018</u>
Due within one year	\$18,814,855	\$ 111,928
Due in one to five years	15,852,863	18,632,004
Due in more than five years	<u>1,679,144</u>	<u>1,490,705</u>
	<u>\$36,346,862</u>	<u>\$20,234,637</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 5. Contributions Receivable (continued)

Contributions receivable that are due in more than one year are recorded at the present value of estimated future cash flows using a discount rate of 6%. The unamortized discount was \$10,418,108 at December 31, 2019, and \$8,720,757 at December 31, 2018.

Note 6. Property and Equipment

Property and equipment at December 31, 2019 and 2018, consist of the following:

	2019	2018
Land	\$ 735,067	\$ 735,067
Building	1,301,593	-
Furniture and equipment	100,119	74,630
Leasehold improvements	-	96,490
Construction in process	-	1,286,817
Less accumulated depreciation	(73,889)	(171,120)
Total	<u>\$2,062,890</u>	<u>\$2,021,884</u>

Note 7. Grants Payable

At December 31, 2019 and 2018, the Foundation had approved grants of \$3,467,390 and \$3,152,975, respectively, which were payable in the following year.

Note 8. Note Payable

At December 31, 2019 and 2018, note payable consists of the following:

	2019	2018
SunTrust Bank; interest fixed at 3.9%; monthly principal and interest payments of \$8,935; unpaid principal and interest due at maturity date of October 22, 2033; secured by real estate	<u>\$1,344,020</u>	<u>\$1,468,013</u>

Aggregate maturities or payments required on principal under the note payable for the following five years ended and thereafter are as follows:

2020	\$ 55,794
2021	58,009
2022	60,312
2023	62,707
2024	65,197
Thereafter	1,042,001
	<u>\$1,344,020</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 9. Lease Agreement

The Foundation leased office space under an operating lease arrangement. Total rents paid under this lease were \$0 and \$63,000 in 2019 and 2018, respectively. At December 31, 2019, there are no future minimum rental payments required under the lease agreement.

Note 10. Employee Benefit Plan

The Foundation has a voluntary salary reduction plan under the provisions of Section 403(b) of the Internal Revenue Code covering all eligible employees. After six months of service, the Foundation contributes 10 percent of each eligible employee's compensation to the Plan. Total contributions were \$76,245 in 2019 and were \$70,813 in 2018.

Note 11. Funds Held as Agency Endowments

The Foundation follows the accounting guidance in ASC Topic 958, "Not-for-Profit Entities". ASC Topic 958 establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. ASC Topic 958 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself or another organization as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, in accordance with ASC Topic 958, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the donor.

The Foundation was the owner of eighteen and twenty-two agency endowment funds at December 31, 2019 and 2018, respectively. The following table summarizes activity in the funds during the years then ended:

	<u>2019</u>	<u>2018</u>
Agency endowment funds, beginning of year	\$4,198,453	\$3,828,808
Amounts raised	913,414	775,218
Investment income	11,647	27,169
Net realized and unrealized gains (losses)	435,006	(72,986)
Other income	40,385	-
Appropriations	<u>(241,598)</u>	<u>(359,756)</u>
Agency endowment funds, end of year	<u>\$5,357,307</u>	<u>\$4,198,453</u>



THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 12. Net Assets Without Donor Restrictions

Net assets without donor restrictions are further classified at December 31, 2019 and 2018, as follows:

	2019	2018
Donor-advised	\$ 92,287,226	\$ 85,132,020
Unrestricted	38,582,316	33,725,814
	<u>\$130,869,542</u>	<u>\$118,857,834</u>

Note 13. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2019 and 2018:

	2019	2018
Subject to expenditure for a specified purpose or after a stipulated period of time:		
Subsequent years' activities	\$44,644,220	\$19,588,276
Student scholarships	1,217,392	909,952
Other	121,753	349,117
	<u>45,983,365</u>	<u>20,847,345</u>
Endowments:		
Activities for designated organizations	420,078	391,218
Student scholarships	481,405	436,446
Other	410,640	343,613
	<u>1,312,123</u>	<u>1,171,277</u>
Total net assets with donor restrictions	<u>\$47,295,488</u>	<u>\$22,018,622</u>

Net assets with donor restrictions are included in cash and cash equivalents, investments, and contributions receivable.

During the years ended December 31, 2019 and 2018, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

	2019	2018
Purpose restrictions accomplished	<u>\$522,670</u>	<u>\$975,637</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 14. Fair Value Measurements

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with ASC Topic 820, "Fair Value Measurements and Disclosures", the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

ASC Topic 820 provides a consistent definition of fair value, which focuses on exit price in an orderly transaction between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

ASC Topic 820 also establishes a three-tier fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2 - Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

*Common stocks, commingled stock funds, and mutual funds:* Valued at the closing price reported on the active markets on which the individual securities are traded.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 14. Fair Value Measurements (continued)

*U.S. Government and corporate bonds and commingled bond funds:* Funds which are traded on active markets are valued at the reported closing price. For funds not traded on active markets, fair values are estimated using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads.

*Limited partnerships, global hedge funds, real estate funds, and other investments:* Valued at the net asset value (NAV) of units of the investment. The NAV, as provided by the administrator of the underlying funds, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the investments held less its liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The tables below present the recorded amount of assets measured at fair value on a recurring basis:

	Balance as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
U.S. Government and corporate bonds	\$ 5,703,692	\$ 5,449,975	\$ 253,717	\$ -
Common stocks	48,132,525	48,132,525	-	-
Commingled stock funds	10,149,625	10,149,625	-	-
Commingled bond funds	3,007,627	-	3,007,627	-
Mutual funds	<u>17,611,358</u>	<u>17,611,358</u>	<u>-</u>	<u>-</u>
Total assets in the fair value hierarchy	84,604,827	81,343,483	3,261,344	-
Investments measured at net asset value (a)(b):				
Limited partnerships	11,661,108	-	-	-
Global hedge funds	27,022,626	-	-	-
Real estate funds	1,701,318	-	-	-
Other investments	<u>1,996,917</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$126,986,796</u>	<u>\$81,343,483</u>	<u>\$3,261,344</u>	<u>\$ -</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 14. Fair Value Measurements (continued)

	Balance as of December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
U.S. Government and corporate bonds	\$ 5,829,546	\$ 5,579,256	\$ 250,290	\$ -
Common stocks	35,378,281	35,378,281	-	-
Commingled stock funds	10,128,148	10,128,148	-	-
Commingled bond funds	2,752,208	-	2,752,208	-
Mutual funds	<u>8,269,027</u>	<u>8,269,027</u>	<u>-</u>	<u>-</u>
Total assets in the fair value hierarchy	62,357,210	59,354,712	3,002,498	-
Investments measured at net asset value (a)(b):				
Limited partnerships	11,518,944	-	-	-
Global hedge funds	21,453,462	-	-	-
Real estate funds	2,230,783	-	-	-
Other investments	<u>1,810,664</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$99,371,063</u>	<u>\$59,354,712</u>	<u>\$3,002,498</u>	<u>\$ -</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

(b) Investments have investment strategies which include, but are not limited to, investments in domestic and international private equities; the global nature resources industry; the healthcare industry; debt and equity securities of real estate operating companies and real estate investment trusts; loan securities, including commercial mortgages and commercial mortgage-backed securities; and multi strategy hedge, long/short equity, buyout, distressed, energy, growth, real estate, venture capital, global, and opportunistic equity funds.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the period. For the years ended December 31, 2019 and 2018, there were no transfers in or out of Levels 1, 2, or 3.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 15. Endowments

The Foundation's endowment consists of six donor-restricted endowment funds established for a variety of purposes. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Board of Directors of the Foundation have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. If the endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets' historical value, the excess is available for appropriation and, therefore, classified as net assets with restrictions until appropriated for expenditure. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Foundation and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Foundation.
- (7) The investment policies of the Foundation.

Endowment net assets by type of fund consist of the following at December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$1,312,123</u>	<u>\$1,312,123</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

Note 15. Endowments (continued)

Changes in endowment net assets for the fiscal year ended December 31, 2019, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$1,171,277	\$1,171,277
Investment income	-	2,039	2,039
Net appreciation	-	140,846	140,846
Appropriations	<u>-</u>	<u>(2,039)</u>	<u>(2,039)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$1,312,123</u>	<u>\$1,312,123</u>

Endowment net assets by type of fund consist of the following at December 31, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$1,171,277</u>	<u>\$1,171,277</u>

Changes in endowment net assets for the fiscal year ended December 31, 2018, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$1,268,944	\$1,268,944
Investment income	-	5,364	5,364
Net depreciation	-	(97,667)	(97,667)
Appropriations	<u>-</u>	<u>(5,364)</u>	<u>(5,364)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$1,171,277</u>	<u>\$1,171,277</u>

Funds with deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions and were \$2,706 and \$16,205 as of December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, original donor-restricted gift amounts and amounts required to be maintained in perpetuity were \$851,142.

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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Note 15. Endowments (continued)

Return objectives and risk parameters:

The Foundation has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return in excess of the consumer price index plus 6 percent annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 16. Subsequent Event

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Foundation. Stocks and mutual fund investments have been significantly impacted by declines in various stock markets. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Foundation's donors, and stock market activity, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Foundation's financial condition or results of operations is uncertain.

Due to the uncertainty of COVID-19, the Foundation applied for and received funding through the Payroll Protection Program (the Program) which was established by the Coronavirus Aid, Relief, and Economic Security Act signed into law on March 27, 2020. The Program provides small businesses with funding to pay payroll costs, including benefits, interest on mortgages, rent, and utilities. Proceeds through the Program are eligible for forgiveness subject to certain guidelines issued by the Small Business Administration. The Foundation received proceeds of \$194,135 and expects substantially all amounts to qualify for forgiveness. Any amounts not forgiven will be due in monthly installments, including interest at one percent, through maturity in April 2022.

Independent Auditor's Report  
on Supplementary Information

To the Board of Directors  
The Community Foundation  
of Greater Chattanooga, Inc.  
Chattanooga, Tennessee

We have audited the consolidated financial statements of The Community Foundation of Greater Chattanooga, Inc. and supporting organization as of and for the year ended December 31, 2019, and our report thereon dated November 2, 2020, which expresses an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 23 through 25 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
November 2, 2020



THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2019

	The Community Foundation of Greater Chattanooga, Inc.	Howard Fund	Eliminations	Consolidated
<b>ASSETS</b>				
Cash and cash equivalents	\$ 22,779,264	\$ 101,562	\$ -	\$ 22,880,826
Investments, at fair value	120,923,793	6,063,003	-	126,986,796
Contributions receivable	36,346,862	-	-	36,346,862
Property and equipment, less accumulated depreciation	2,062,890	-	-	2,062,890
Other assets	<u>174,475</u>	<u>100,000</u>	<u>(150,000)</u>	<u>124,475</u>
Total assets	<u>\$ 182,287,284</u>	<u>\$ 6,264,565</u>	<u>\$ (150,000)</u>	<u>\$ 188,401,849</u>
<b>LIABILITIES</b>				
Grants payable	\$ 3,317,390	\$ 300,000	\$ (150,000)	\$ 3,467,390
Accounts payable	12,163	-	-	12,163
Funds held as agency endowments	5,357,307	-	-	5,357,307
Note payable	1,344,020	-	-	1,344,020
Other liabilities	<u>55,939</u>	<u>-</u>	<u>-</u>	<u>55,939</u>
Total liabilities	<u>10,086,819</u>	<u>300,000</u>	<u>(150,000)</u>	<u>10,236,819</u>
<b>NET ASSETS</b>				
Without donor restrictions	124,904,977	5,964,565	-	130,869,542
With donor restrictions	<u>47,295,488</u>	<u>-</u>	<u>-</u>	<u>47,295,488</u>
Total net assets	<u>172,200,465</u>	<u>5,964,565</u>	<u>-</u>	<u>178,165,030</u>
Total liabilities and net assets	<u>\$ 182,287,284</u>	<u>\$ 6,264,565</u>	<u>\$ (150,000)</u>	<u>\$ 188,401,849</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

CONSOLIDATING STATEMENT OF ACTIVITIES -  
NET ASSETS WITHOUT DONOR RESTRICTIONS  
Year Ended December 31, 2019

	The Community Foundation of Greater Chattanooga, Inc.	Howard Fund	Eliminations	Consolidated
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 17,473,752	\$ -	\$ -	\$ 17,473,752
Change in value of contributions receivable	-	-	-	-
Interest and dividend income, net of investment expenses	1,494,723	-	-	1,494,723
Net realized and unrealized gains on investments	14,752,369	1,190,469	-	15,942,838
Other income	139,751	-	-	139,751
	<u>33,860,595</u>	<u>1,190,469</u>	<u>-</u>	<u>35,051,064</u>
Total revenues				
Net assets released from restrictions: Satisfaction of program restrictions	<u>552,670</u>	<u>-</u>	<u>-</u>	<u>552,670</u>
Total revenues and other support	<u>34,413,265</u>	<u>1,190,469</u>	<u>-</u>	<u>35,603,734</u>
<b>OPERATING EXPENSES</b>				
Program services	22,102,985	85,000	-	22,187,985
Supporting services	1,072,228	57,815	-	1,130,043
Fundraising expenses	273,998	-	-	273,998
	<u>23,449,211</u>	<u>142,815</u>	<u>-</u>	<u>23,592,026</u>
Total operating expenses				
Change in net assets	<u>10,964,054</u>	<u>1,047,654</u>	<u>-</u>	<u>12,011,708</u>
NET ASSETS, beginning of year	<u>113,940,923</u>	<u>4,916,911</u>	<u>-</u>	<u>118,857,834</u>
NET ASSETS, end of year	<u>\$ 124,904,977</u>	<u>\$ 5,964,565</u>	<u>\$ -</u>	<u>\$ 130,869,542</u>

THE COMMUNITY FOUNDATION OF GREATER CHATTANOOGA, INC.  
AND SUPPORTING ORGANIZATION

CONSOLIDATING STATEMENT OF ACTIVITIES -  
NET ASSETS WITH DONOR RESTRICTIONS  
Year Ended December 31, 2019

	The Community Foundation of Greater Chattanooga, Inc.	Howard Fund	Eliminations	Consolidated
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 23,903,684	\$ -	\$ -	\$23,903,684
Change in value of contributions receivable	1,134,165	-	-	1,134,165
Interest and dividend income, net of investment expenses	114,545	-	-	114,545
Net realized and unrealized gains on investments	677,142	-	-	677,142
Other income	-	-	-	-
	<u>25,829,536</u>	<u>-</u>	<u>-</u>	<u>25,829,536</u>
Net assets released from restrictions: Satisfaction of program restrictions	<u>(552,670)</u>	<u>-</u>	<u>-</u>	<u>(552,670)</u>
Total revenues and other support	<u>25,276,866</u>	<u>-</u>	<u>-</u>	<u>25,276,866</u>
<b>OPERATING EXPENSES</b>				
Program services	-	-	-	-
Supporting services	-	-	-	-
Fundraising expenses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>25,276,866</u>	<u>-</u>	<u>-</u>	<u>25,276,866</u>
NET ASSETS, beginning of year	<u>22,018,622</u>	<u>-</u>	<u>-</u>	<u>22,018,622</u>
NET ASSETS, end of year	<u>\$ 47,295,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$47,295,488</u>