

**COMMUNITY FOUNDATION
OF NORTHWEST MISSISSIPPI**

**AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

F. O. GIVENS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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FRANK O. GIVENS, III
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Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Community Foundation of Northwest Mississippi

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Northwest Mississippi as of December 31, 2019 and 2018, 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.

F. O. Givens & Co.

F. O. Givens & Co.
Southaven, Mississippi
September 18, 2020

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

Table of Contents

Independent Auditor's Report	1
General Purpose Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to Financial Statements	6

Community Foundation of Northwest Mississippi
Statements of Financial Position
Years Ended December 31, 2019 and 2018

	2019		2018
ASSETS			
Cash and Cash Equivalents	3,046,270	\$	1,416,475
Investments (Note B)	18,164,981		14,614,683
Grants Receivable	-		825,000
Promises to Give (Note E)	-		676,803
Property and Equipment Net (Note F)	3,668		3,897
TOTAL ASSETS	\$ 21,214,919	\$	17,536,858
LIABILITIES			
Accounts Payable	4,244	\$	1,235
Amounts Held on Behalf of Others	1,277,578		1,089,335
Deferred Revenue	-		825,000
TOTAL LIABILITIES	1,281,822	\$	1,915,570
NET ASSETS			
Net Assets without Donor Restrictions	19,933,097		14,944,485
Net Assets with Donor Restrctions (Note H)	-		676,803
TOTAL NET ASSETS	19,933,097	\$	15,621,288
TOTAL LIABILITIES AND NET ASSETS	\$ 21,214,919	\$	17,536,858

The notes to the financial statements are an integral part of this statement.

Community Foundation of Northwest Mississippi
Statements of Activities
Years Ended December 31, 2019 and 2018

	2019			2018		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Public Support						
Contributions	\$ 4,759,725	\$ -	\$ 4,759,725	\$ 4,048,800	\$ -	\$ 4,048,800
Fundraising	253,986	-	253,986	387,500	-	387,500
Administrative Revenue	164,800	-	164,800	147,842	-	147,842
Interest & Dividend Income	592,471	-	592,471	504,916	-	504,916
Net Unrealized & Realized Gain/(Loss) on Investments	2,185,009	-	2,185,009	(1,798,363)	-	(1,798,363)
Miscellaneous Income	138,426	-	138,426	180,971	-	180,971
TOTAL INCOME	8,094,417	-	8,094,417	3,471,666	-	3,471,666
Net Assets Put Under / Released From Restriction	676,803	(676,803)	-	941,862	(941,862)	-
Total Income and Net Assets Put Under Restriction	8,771,220	(676,803)	8,094,417	4,413,528	(941,862)	3,471,666
Programs						
Programs Expenses	3,539,873	-	3,539,873	3,757,307	-	3,757,307
Supporting Services						
Fundraising	119,377	-	119,377	268,583	-	268,583
Administrative	123,358	-	123,358	97,181	-	97,181
TOTAL EXPENSES	3,782,608	-	3,782,608	4,123,071	-	4,123,071
CHANGE IN NET ASSETS	4,988,612	(676,803)	4,311,809	290,457	(941,862)	(651,405)
NET ASSETS AT BEGINNING OF YEAR	14,944,485	676,803	15,621,288	14,654,028	1,618,665	16,272,693
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
NET ASSETS AT END OF YEAR	\$ 19,933,097	\$ -	\$ 19,933,097	\$ 14,944,485	\$ 676,803	\$ 15,621,288

The notes to the financial statements are an integral part of this statement.

Community Foundation of Northwest Mississippi
Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Net Assets	\$ 4,311,809	\$ (651,405)
Adjustments to reconcile increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	2,221	1,640
Unrealized (Gain)/Loss on Investments	(1,583,403)	1,890,797
Realized (Gain)/Loss on Investments	(601,606)	(92,434)
(Increase)/Decrease in Operating Assets		
Grants Receivable	825,000	(168,634)
Promises to Give	676,803	941,861
Increase (Decrease) in Operating Liabilities		
Accounts Payable	3,009	(21,234)
Agency Funds	188,243	(107,484)
Deferred Revenue	(825,000)	168,634
Net Cash Provided/(Used) by Operating Activities	2,997,076	1,961,741
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(1,992)	(5,002)
Management Advisory Fees	(35,866)	-
(Increase)/Decrease in Investments	(1,329,423)	(2,275,813)
Net Cash Provided/ (Used) by Investing Activities	(1,367,281)	(2,280,815)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,629,795	(319,074)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,416,475	1,735,549
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,046,270	\$ 1,416,475

The notes to the financial statements are an integral part of this statement.

Community Foundation of Northwest Mississippi
 Statements of Functional Expenses
 Years Ended December 31, 2019 and 2018

	2019				2018			
	Programs	Fundraising	Administrative	Total	Programs	Fundraising	Administrative	Total
Advertising	\$ 433	\$ 10	\$ 10	453	\$ 19,973	\$ 47,537	\$ 37	67,547
Bank Charges	5,694	109	109	5,912	5,301	3,856	107	9,264
Continuing Education	830	135	135	1,100	270	90	90	450
Depreciation Expense	-	-	2,221	2,221	-	-	1,640	1,640
Dues and Subscriptions	8,859	-	1,760	10,619	5,877	-	1,444	7,321
Crystal Ball Event Production	-	-	-	0	-	123,182	-	123,182
Insurance	3,349	1,116	1,116	5,581	1,567	523	523	2,613
Professional Fees	30,901	10,300	10,300	51,501	8,382	2,794	2,794	13,970
Miscellaneous	3,122	1,041	1,041	5,204	2,767	922	922	4,611
Office Expense	30,401	6,334	6,334	43,069	13,473	3,702	3,702	20,877
Postage	2,722	642	642	4,006	1,262	340	340	1,942
Grants, Scholarships, & Activities	3,079,580	-	-	3,079,580	3,380,929	-	-	3,380,929
Rent and Utilities	19,120	4,282	4,282	27,684	19,696	5,159	5,159	30,014
Repairs and Maintenance	5,590	1,805	1,805	9,200	9,724	3,241	3,241	16,206
Salaries and Employee Benefits	315,679	86,418	86,418	488,515	258,303	70,977	70,977	400,257
Taxes	21,331	5,717	5,717	32,765	17,717	4,801	4,801	27,319
Travel and Entertainment	12,262	1,468	1,468	15,198	12,066	1,459	1,404	14,929
Total Expenses	<u>\$ 3,539,873</u>	<u>\$ 119,377</u>	<u>\$ 123,358</u>	<u>\$ 3,782,608</u>	<u>\$ 3,757,307</u>	<u>\$ 268,583</u>	<u>\$ 97,181</u>	<u>\$ 4,123,071</u>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Organization

The Community Foundation of Northwest Mississippi, ("the Foundation") was organized January 7, 2002 as a nonprofit organization. It is dedicated to serving the people of Mississippi's eleven northwest counties; Bolivar, Coahoma, DeSoto, Leflore, Marshall, Panola, Quitman, Sunflower, Tallahatchie, Tate, and Tunica. The Foundation's purpose is to provide a flexible, tax-deductible vehicle to meet the needs of donors and philanthropists in Northwest Mississippi and stimulate the establishment of endowed funds that will serve the citizens and non-profit organizations of northwest Mississippi both now and in the future.

Donors contribute to the following fund types:

- Unrestricted Funds- those for which the Foundation has full discretion in making distributions for charitable purposes to meet community needs.
- Donor Advised Funds-unrestricted funds for which the donor has reserved the right to make nonbinding distribution recommendations to the Foundation.
- Field of Interest Funds- those used at the Foundation's discretion to meet a general field of charitable need specified by the donor.
- Designated Purpose Funds – those used at the Foundation's discretion to provide support to specific charitable organizations or programs.
- Scholarship Funds – used to provide scholarships for students.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for the nonprofit industry. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, the Foundation's net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions*- Net assets that are not subject to donor-imposed stipulations
- *Net assets with donor restrictions*- Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation or passage of time. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

GAAP provides that if a governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Foundation's Board of Directors has that ability (variance power); however, they would intend to exercise this authority only if the stated purpose of the contribution becomes no longer applicable and incapable of fulfillment. Accordingly, the Foundation's financial statements classify substantially all funds, including the principal of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment record keeping the portion that is held as endowment from the funds that are currently available for grants.

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated amounts.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Of the total balance of cash and cash equivalents, \$1,906,304 and \$1,240,157 as of December 31 2019 and 2018, respectively, were held in money market funds with a reputable broker. They are valued using level 1 inputs in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. These investments are not covered by federal deposit insurance. The remaining balances of cash and cash equivalents may exceed federal deposit insurance limits.

Promises to Give

Unconditional promises to give are recognized as receivables in the period promised. In 2018 such promises were recorded at present value using the discount rate of 1.37%. There were no new promises recorded in 2019 or 2018. The discount is amortized and recorded as contribution revenue using the effective interest method.

Grants Receivable

Conditional promises to give are recognized when the conditions on which they depend are substantively met. The 2018 Grants Receivable consists of two grants awarded by the W.K. Kellogg Foundation, one to increase the breastfeeding rates of extremely low birth weight babies utilizing a multiagency approach to ensure better outcomes and affect systemic change, and the other to increase economic equity for low-wealth communities of color by building access to living wage employment/entrepreneurship skills.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Amounts held for others under agency transactions

If a not-for-profit organization establishes a fund at the Foundation with its own funds and specifies itself 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 "Amounts held on behalf of others."

Investments

Investments consist of equity securities, debt securities, and alternative investments which are carried at fair value if readily determinable and at net asset value per share if not readily determinable.

Investment securities are exposed to several risks, such as interest rate, market, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

changes in the values of investment securities will occur and those changes could materially affect the amounts reported in the Foundation's financial statements.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment is recorded at estimated fair market value at date of donation, or at cost if purchased. Depreciation is computed using the straight-line method, and is based on the expected useful asset life which will range from 3 to 25 years. There has not been a policy adopted for applying time restriction for donated long lived assets. Depreciation expense for the year ended December 31, 2019 is \$2,221.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Exemption

The Foundation is exempt from Federal income taxes under the provisions of the Internal Revenue Code as an entity described in Section 501(c)3. The Foundation is also exempt from state income taxes on related income. The Foundation has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal income tax returns for tax years ended 2014 and beyond remain subject to examination by the Internal Revenue Service.

Advertising

The Foundation uses advertising to promote its programs, fundraiser and services to the general public. The cost of advertising is expensed as incurred.

Revenue Recognition

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to the foundation are reported at fair value at the date the promise is received. Conditional promises to give and indications to give are reported at fair value at the date the gift was deemed unconditional. The gifts are recorded as restricted support if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donor-restricted contributions and investment income or gains whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statement.

Fair Value Measurements

The Foundation measures fair value of financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy inputs are described below:

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

- Level 1 Quoted prices in active markets for identical assets
- Level 2 Other significant observable inputs (including quoted prices for similar assets, interest rates, and credit risk)
- Level 3 Significant unobservable inputs

Subsequent Events

The Foundation has evaluated subsequent events through September 18, 2020, the date the financial statements were available to be issued.

NOTE B: INVESTMENTS

Investments at December 31 included the following:

	2019	2018
Common and preferred stock	\$ -	\$ -
Bonds	2,387,505	2,036,981
Equity and fixed income funds	15,350,274	12,161,683
Hedge funds	427,202	416,019
Total investments	<u>\$ 18,164,981</u>	<u>\$ 14,614,683</u>

The foundation's investments include interest in alternative investments. These investments consist primarily of interest in hedge funds. The objective of these hedge funds is to deliver positive returns while maintaining a lower degree of risk, as measured by standard deviation of monthly returns, than the broad equity markets in which it is investing. The assets of the hedge funds are allocated to investment funds that pursue absolute return strategies in the global equity markets, with stronger emphasis on developed equity markets of North America, Europe, and Asia. To achieve its absolute return objective, the investment funds will have the ability to maintain both long and/or short positions in their prospective portfolios. The fund managers will use their discretion in selecting, among other investments, individual stocks, indices, options, and other derivatives, both long and short. The foundation has chosen to invest in alternative investments because they can generate returns that match or exceed publicly traded securities, they carry lower correlations than equity classes relative to one another, and they can have a profound impact on the portfolio's diversification and total return.

There is no public market for alternative investments, and the shares are transferable or redeemable only at the discretion of the funds' investment managers. A determination of net asset value per share is made on a monthly basis, and this net asset value is considered to be the fair value for these investments.

Investment income (loss) for the years ended December 31st was as follows:

	2019	2018
Interest and dividends	\$ 592,471	\$ 504,916
Net realized gains (losses) on investments	601,606	92,434
Net unrealized gains (losses) on investments	<u>1,583,403</u>	<u>(1,890,797)</u>
Total investment income (loss)	<u>\$ 2,777,480</u>	<u>\$ (1,293,447)</u>

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

Investment income is reported net of fees. The fees for 2019 and 2018 were \$35,866 and \$32,710 respectively.

NOTE C: FAIR VALUE MEASUREMENTS

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities. Equity and fixed income funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Bonds and Certificates of deposits are valued primarily by custodians based on pricing models that incorporate available trade, bid, and other market information. The fair value of alternative investments is based on the net asset value per share as a practical expedient.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the foundation believes the 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 following table, set forth by level within the fair value hierarchy, presents the foundation's investments at fair value as of December 31, 2019:

	2019			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
U.S. equities	\$ -	\$ -	\$ -	\$ -
Bonds:				
Corporate bonds	-	2,367,505	-	2,367,505
Municipal bonds	-	20,000	-	20,000
Equity and fixed income funds:				
Domestic equity & other	14,547,970	-	-	14,547,970
International equity & other	-	-	-	-
Fixed income funds	802,304	-	-	802,304
Subtotal	15,350,274	2,387,505	-	17,737,779
Alternative and other investment funds:				
Multistrategy	-	-	427,202	427,202
Subtotal other	-	-	427,202	427,202
Total investments	\$ 15,350,274	\$ 2,387,505	\$ 427,202	\$ 18,164,981

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

The foundation uses NAV to determine the fair value of all underlying investments that do not have readily determinable market value. Net asset value was used in 2019 as follows:

	Net Asset Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Vida Longevity Fund	\$427,202	-	Quarterly	180 days 2 yr. lock

The following table, set forth by level within the fair value hierarchy, presents the foundation's investments at fair value as of December 31, 2018:

	2018			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
U.S. equities	\$ -	\$ -	\$ -	\$ -
Bonds:				
Corporate bonds	-	2,016,393	-	2,016,393
Municipal bonds	-	20,588	-	20,588
Equity and fixed income funds:				
Domestic equity & other	11,215,991	-	-	11,215,991
International Equity & other	-	-	-	-
Fixed Income funds	945,692	-	-	945,692
Subtotal	12,161,683	2,036,981	-	14,198,664
Alternative and other investment funds:				
Multistrategy	-	-	416,019	416,019
Subtotal other	-	-	416,019	416,019
Total investments	\$ 12,161,683	\$ 2,036,981	\$ 416,019	\$ 14,614,683

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

The foundation uses NAV to determine the fair value of all underlying investments that do not have readily determinable market value. Net asset value was used in 2018 as follows:

	Net Asset Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Vida Longevity Fund	\$416,019	-	Quarterly	180 days 2 yr. lock

Information regarding the changes in the fair value of the foundation's Level 3 investments for the years ended December 31 is as follows:

	2019	2018
Level 3 investments beginning	\$ 416,019	739,328
Unrealized gains (losses)	11,183	(5,837)
Purchases	-	-
Fees	-	-
Draws	-	(317,472)
Level 3 investment ending	427,202	416,019

NOTE D: ENDOWED FUNDS

The Foundation follows the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and its own governing documents. The Board of Directors has recognized that the majority of the Foundation's contributions are subject to the terms of specific agreements with the Foundation and its Financial Policies and Investment Guidelines. Under the terms of the Bylaws and Financial Policies and Investment Guidelines, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions are classified as unrestricted.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of those endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return 8%; enough to make an annual distribution, pay management fees, and maintain its purchasing power. Actual returns in any given year may vary from this amount.

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 and current yield. The

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

Foundation targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grant making and administration. The current spending policy is to distribute an amount at least equal to 4.5% to 5% of an annual average daily balance of the fair value of the endowment funds. Over the long term, the Foundation expects its current spending policy to allow its endowment assets to grow at an average rate of 3% to 3.5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

A summary of endowment net assets by type of fund as of December 31 is as follows:

	2019	2018
Board Designated	\$ 4,934,545	\$ 3,736,214
Designated Purpose	2,388,715	2,254,540
Donor Advised	6,213,147	3,882,618
Field of Interest	2,440,019	2,127,098
Scholarship	740,415	630,692
Total Endowment Funds	<u>\$ 16,716,841</u>	<u>\$ 12,631,162</u>

A summary of changes in endowment net assets as of December 31 is as follows:

	2019	2018
Endowment Net Assets, Beginning of Year	\$ 12,631,162	\$ 12,836,155
Contributions	2,192,050	1,595,640
Interest and Dividends, Net of Fees	317,784	471,574
Realized Gains/ (Losses)	456,720	(25,825)
Grants, Scholarships, & Programs	(576,035)	(362,965)
Administrative Fees	(139,927)	(125,659)
Other Income/ (Expense)	(30,597)	(33,607)
Unrealized Gains/ (Losses)	1,865,683	(1,724,151)
Change in Endowment Net Assets	<u>\$ 4,085,678</u>	<u>\$ (204,993)</u>
Endowment Net Assets, End of Year	<u>\$ 16,716,841</u>	<u>\$ 12,631,162</u>

NOTE E: PROMISES TO GIVE

On January 20, 2005, the Foundation entered into a retroactive grant agreement with the Maddox Foundation for the amount of \$10,000,000. This grant was awarded by the Maddox Foundation for the overall purpose of establishing the Foundation as a viable grant-making institution. This was a ten-year grant, commencing January 1, 2004 through December 31, 2013.

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

The provisions of the grant are as follows:

- A minimum of \$9,000,000 of the grant shall be used by the Foundation to build permanently endowed funds. All grant funds for endowment building are considered a challenge grant, requiring the Foundation to establish permanently endowed funds that the Maddox Foundation will match on a dollar for dollar basis.
- For every dollar donated to the general permanent endowment of the Foundation, the Maddox Foundation will make equal matching payments into the general permanent endowment of the Foundation.
- For every dollar donated to any other permanently endowed or donor advised funds, the Maddox Foundation will make a payment of 50% of such amounts into the general permanent endowment of the Foundation. The Maddox Foundation will also establish a Maddox Foundation Advised Fund and make a payment equal to 50% of donations to other permanently endowed funds held by the Foundation into the Maddox Foundation Advised Fund.
- A maximum of \$1,000,000 may be used by the Foundation for general operating costs.

The Maddox Foundation promise to give at years ended December 31, 2019 and December 31, 2018 are \$0 and \$727,162. The current payment plan of the Maddox Foundation is \$1,000,000 per year until paid off. The amount due in less than one year is \$0. All promises to give are deemed collectable so there is no allowance for uncollectable balances. Promise to give balances at December 31 are as follows:

	2019	2018
Maddox Foundation	\$ -	\$ 727,162
Discount to Present Value	-	(50,359)
Total	\$ -	\$ 676,803

NOTE F: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2019	2018
Furniture & Equipment	\$ 11,970	\$ 26,073
Total:	11,970	26,073
Accumulated Depreciation	(8,302)	(22,176)
Net Property and Equipment:	\$ 3,668	\$ 3,897

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

NOTE G: CURRENT ASSETS AND CURRENT LIABILITIES

	December 31, 2019	December 31, 2018
Current Assets		
Cash and Cash Equivalents	\$ 3,046,270	\$ 1,416,475
Promises to Give	-	727,162
Grant Receivable	-	825,000
Investments	18,164,981	14,614,683
Total Current Assets	\$21,211,251	\$17,583,320
Current Liabilities		
Accounts Payable	\$ 4,244	\$ 1,235
Deferred Income- Grant Receivable	-	825,000
Total Current Liabilities	\$ 4,244	\$ 826,235

NOTE H: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following balances at December 31, 2019 and 2018:

	2019	2018
Promises to Give, Due in Future Years	-	676,803
Total	\$ -	\$ 676,803

NOTE I: AVAILABILITY AND LIQUIDITY

The Foundation's financial assets available within one year of the balance sheet date for general expenditure were as follows:

	December 31, 2019	December 31, 2018
Cash and Cash Equivalents	\$ 3,046,270	\$ 1,416,475
Grant Receivable	-	825,000
Investments	18,164,981	14,614,683
Financial Assets Available to Meet General expenditures Within One Year	\$ 21,211,251	\$ 16,856,158

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

The Foundation has \$21,211,251 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Contributions made without donor restrictions are expendable for general operating as well as to support the goals and objectives of The Foundation as needed.