

GROUNDSWELL INTERNATIONAL, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020



CERTIFIED PUBLIC ACCOUNTANTS

Groundswell International, Inc.

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CORLISS &
SOLOMON
PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Groundswell International, Inc.
Asheville, North Carolina

We have audited the accompanying financial statements of Groundswell International, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related financial statement disclosures.

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 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 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 Groundswell International, Inc. as of December 31, 2020, 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 Information

We have previously audited the 2019 financial statements of Groundswell International, Inc., and our report dated May 4, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carliss & Solomon, PLLC

Asheville, North Carolina
June 4, 2021

Groundswell International, Inc.

Statement of Financial Position

As of December 31, 2020

(With summarized comparative totals as of December 31, 2019)

	2020	2019
Current Assets		
Cash and Cash Equivalents	\$ 1,579,212	\$ 646,812
Grants Receivable	21,933	297,463
Contributions Receivable	8,209	26,082
Prepaid Expenses	10,852	9,179
Deposits	1,725	1,725
Total Current Assets	<u>1,621,931</u>	<u>981,261</u>
Long-Term Assets		
Investments	-	2,786
Endowment	26,885	25,350
Total Long-Term Assets	<u>26,885</u>	<u>28,136</u>
Total Assets	<u>\$ 1,648,816</u>	<u>\$ 1,009,397</u>
Current Liabilities		
Accounts Payable	\$ 19,110	\$ 23,079
Partner Grants Payable	19,664	85,655
Accrued Vacation	7,149	15,118
Total Current Liabilities	<u>45,923</u>	<u>123,852</u>
Net Assets		
Without Donor Restrictions	201,837	88,704
With Donor Restrictions	1,401,056	796,841
Total Net Assets	<u>1,602,893</u>	<u>885,545</u>
Total Liabilities and Net Assets	<u>\$ 1,648,816</u>	<u>\$ 1,009,397</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.

Statement of Activities

Year Ended December 31, 2020

(With summarized comparative totals for the prior year)

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Support				
Grants	\$ 225,900	\$ 2,837,523	\$ 3,063,423	\$ 1,714,971
Contributions	256,628	51,225	307,853	239,229
Program Income	13,503	-	13,503	20,382
Endowment Income, Net of Fees	2,722	-	2,722	13,371
In-Kind Contributions	-	-	-	7,450
Other Income	2,176	-	2,176	-
Net Assets Released				
From Restrictions	<u>2,284,533</u>	<u>(2,284,533)</u>	<u>-</u>	<u>-</u>
Total Support	<u>2,785,462</u>	<u>604,215</u>	<u>3,389,677</u>	<u>1,995,403</u>
Expenses				
Program Services	2,331,466	-	2,331,466	1,720,104
Management and General	90,723	-	90,723	118,176
Fundraising	<u>250,140</u>	<u>-</u>	<u>250,140</u>	<u>309,882</u>
Total Expenses	<u>2,672,329</u>	<u>-</u>	<u>2,672,329</u>	<u>2,148,162</u>
Change in Net Assets	<u>113,133</u>	<u>604,215</u>	<u>717,348</u>	<u>(152,759)</u>
Net Assets, Beginning of Year	<u>88,704</u>	<u>796,841</u>	<u>885,545</u>	<u>1,038,304</u>
Net Assets, End of Year	<u>\$ 201,837</u>	<u>\$ 1,401,056</u>	<u>\$ 1,602,893</u>	<u>\$ 885,545</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

(With summarized comparative totals for the prior year)

	Program	Management and General	Fundraising	Total 2020	Total 2019
Salaries					
U.S. Staff	\$ 232,120	\$ 31,729	\$ 130,837	\$ 394,686	\$ 436,454
International Staff	177,457	-	-	177,457	159,421
Payroll Taxes	25,110	8,403	11,864	45,377	41,520
Employee Benefits	23,779	5,200	12,232	41,211	37,739
Total-Salaries and Related	<u>458,466</u>	<u>45,332</u>	<u>154,933</u>	<u>658,731</u>	<u>675,134</u>
Program Grants to Partners	1,739,803			1,739,803	1,040,639
Program Service Contracts	30,481	-	-	30,481	88,778
Total-Direct Program	<u>1,770,284</u>	<u>-</u>	<u>-</u>	<u>1,770,284</u>	<u>1,129,417</u>
Advertising	-	-	-	-	1,288
Bank Charges and Fees	4,507	283	40	4,830	4,930
Conference and Meetings	-	-	-	-	73,910
Contract Services	41,911	24,188	60,513	126,612	69,391
Equipment	12,318	5,591	10,174	28,083	13,759
Food and Lodging	8,931	1,835	1,799	12,565	45,787
Fundraising Fees	-	-	-	-	7,676
Insurance	2,077	1,175	7,077	10,329	6,433
Postage and Shipping	218	210	671	1,099	1,418
Printing and Copying	90	-	1,078	1,168	683
Rent and Occupancy	14,185	6,612	7,124	27,921	42,562
Supplies	1,836	215	1,457	3,508	5,858
Travel	13,127	2,103	1,669	16,899	63,584
Utilities	1,209	962	686	2,857	2,086
Other Expenses	2,307	2,217	2,919	7,443	4,246
Total-Other Expenses	<u>102,716</u>	<u>45,391</u>	<u>95,207</u>	<u>243,314</u>	<u>343,611</u>
Total Expenses	<u>\$ 2,331,466</u>	<u>\$ 90,723</u>	<u>\$ 250,140</u>	<u>\$ 2,672,329</u>	<u>\$ 2,148,162</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.

Statement of Cash Flows

Year Ended December 31, 2020

(With summarized comparative totals for the prior year)

<u>Cash Flows from Operating Activities</u>	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$ 717,348	\$ (152,759)
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Investment (Gains)/Losses	-	(620)
Endowment Income, Net of Fees	(2,722)	(4,259)
(Increase)/Decrease in Operating Activities		
Grants Receivable	275,530	(195,712)
Contributions Receivable	17,873	(15,447)
Prepaid Expenses	(1,673)	3,753
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	(3,969)	16,327
Partner Grants Payable	(65,991)	18,622
Accrued Vacation	(7,969)	41
Net Cash Provided/(Used) by Operating Activities	<u>928,427</u>	<u>(330,054)</u>
<u>Cash Flows from Investing Activities</u>		
Transfer from Endowment	1,187	1,172
Sale of Investments	2,786	-
Net Cash Provided by Investing Activities	<u>3,973</u>	<u>1,172</u>
Net Change in Cash and Cash Equivalents	<u>932,400</u>	<u>(328,882)</u>
Cash and Cash Equivalents, Beginning of Year	<u>646,812</u>	<u>975,694</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,579,212</u>	<u>\$ 646,812</u>

The accompanying disclosures are an integral part of these financial statements.

Groundswell International, Inc.

Financial Statement Disclosures

Year Ended December 31, 2020

1. Description of the Organization, Corporate and Tax-Exempt Status

Groundswell International, Inc. (Groundswell) strengthens communities to build healthy farming and food systems from the ground up. Groundswell's programs address the root causes of food insecurity, economic vulnerability, and social marginalization with a practical, "learning by doing" approach that builds participants' confidence while meeting their basic needs. When people see the changes they are bringing about, it empowers them, and soon they become the lead actors in improving their own lives.

We work closely with local partner organizations in Latin America and the Caribbean, South Asia, and West Africa. While each regional program design responds to its unique people and context, Groundswell programs everywhere:

- Work with farmer leaders to test and adopt agroecological methods and spread them to more people through farmer-to-farmer training, allowing these farmers to produce more healthy food and restore hundreds of thousands of acres of degraded land.
- Empower women farmers to participate in savings and credit groups, improve ecological production, gain access to productive assets, and diversify their livelihoods, which in turn improves their families' food security, incomes, and resilience.
- Strengthen local markets and increase farmers' incomes through savings and credit groups and community-based agricultural enterprises that add value to locally grown crops.
- Nourish vulnerable families by explicitly integrating gender equity and nutrition into agricultural programs. Our holistic approach links agroecological farming to family nutrition.
- Support citizens to engage with local decision-makers on enabling local policies and produce influential case studies, policy briefs, and reports to facilitate sharing across our networks and with other stakeholders to expedite the necessary transition to agroecology.

In 2020, Groundswell and its partners worked with 96,145 smallholder farmers to improve their production, resilience, and wellbeing in Burkina Faso, Ecuador, Ghana, Guatemala, Haiti, Honduras, Mali, Mexico, Nepal, and Senegal. Our work improved the lives of 542,699 people from 829 marginalized, rural communities in tangible (ecological restoration and increased food production, incomes, nutrition) and intangible (stronger local governance, improved self-esteem, greater agency) ways.

West Africa -- We continued to work with our partners Agrecol Afrique in Senegal; Association Nourrir Sans Détruire in Burkina Faso; the Center for Indigenous Knowledge and Organizational Development in Ghana; and Sahel Eco in Mali. Across these four countries, our programs engaged 80,571 smallholder farmers to improve their farming, weather the global pandemic, and improve their overall wellbeing. In 2020, the work in West Africa benefitted 416,604 people and contributed to regenerating 125,357 hectares of land.

Latin America and the Caribbean -- We worked with partners Centro de Desarrollo Integral Campesino de la Mixteca in Mexico; EkoRural in Ecuador; Partenariat pour le Développement Local in Haiti; Qachuu Aloom in Guatemala; and, Vecinos Honduras in Honduras. In these five countries, we supported 12,972 smallholder farmers to improve their farming, create sustainable

rural livelihoods, and strengthen their communities' resilience to climate change. In 2020, these programs benefitted 108,140 people and helped regenerate 3,867 hectares of land.

South Asia -- We worked with our partner Boudha Bahanupati Project – Pariwar in Nepal to create or strengthen 22 savings and credit groups with 495 members; train 752 smallholder farmers in agroecological farming practices to improve production and food security; and distribute goats as an important asset to 368 rural women, who will pass on the animals' offspring to other women in the future to spread benefits. In 2020, this program benefitted 3,740 people. The vast majority of the direct participants are women from the "untouchable" caste, which have suffered generations of the worst discrimination.

Corporate and Tax-Exempt Status

The organization was established as a not-for-profit corporation under the laws of the District of Columbia in October 2009 and has a Certificate of Authority to conduct affairs in North Carolina. Groundswell has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require an organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) 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 elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate any losses with respect to such accounts.

Investments

Investments are reported at fair market value on the statement of financial position, with realized and unrealized gains and losses reflected on the statement of activities.

Board Designated Endowment

In 2013, Groundswell established a board designated permanent endowment at the Oklahoma City Community Foundation (the Foundation). According to the Foundation's endowment fund policy statement, the Foundation provides the following benefits and services for the Groundswell fund:

- a) A common fund to which many donors can make contributions to establish and build permanent charitable support for the organization.
- b) Management and investment policies which provide the best opportunity for enhancing long-term growth of the endowment as well as providing annual cash distributions to support the organization.
- c) An investment and distribution policy which emphasizes the preservation of capital, protection against inflation, and a continuing source of income to ensure that it will always be available to support the organization.

Fair Value Measurements

In accordance with U.S. GAAP, the organization follows "Fair Value Measurements." This standard establishes a single definition of fair value and a framework for measuring fair value in financial statements under U.S. GAAP. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at an agreed-upon measurement date. That is, fair value is based on an exit price, which may differ from the price paid to acquire the asset. If there is a principal market for the asset, fair value represents the price in that market." Groundswell's endowment at the Oklahoma City Community Foundation is carried at fair value on a recurring basis.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The capitalization threshold is \$5,000 per item.

Support and Revenue Recognition

Revenue is recognized when earned. Program services fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. As restrictions expire, net assets are reclassified to net assets without donor restrictions and are reported on the statement of activities as "Net Assets Released from Restrictions." Contributions are recognized when cash, securities or other assets, and unconditional promises to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

The organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt. Contributed services are recognized in the financial statements if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. When recognized, contributed services are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

The organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2020 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2019, from which the summarized information was derived. Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

3. Liquidity and Availability

The organization's liquidity management plan is to invest cash in excess of daily requirements in money market accounts and certificates of deposit. Occasionally, the Board may designate a portion of operating surplus to a reserve account.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

<u>As of December 31:</u>	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 1,579,212	\$ 646,812
Grants Receivable	21,933	297,463
Contributions Receivable	8,209	26,082
Endowment	26,885	25,350
Total Financial Assets	<u>\$ 1,636,239</u>	<u>\$ 995,707</u>
Less amounts not available to be used in one year:		
Endowment	<u>26,885</u>	<u>25,350</u>
Total not available to be used in one year	<u>26,885</u>	<u>25,350</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,609,354</u>	<u>\$ 970,357</u>

The total net assets with donor restrictions totalling \$1,401,056 detailed in Disclosure 8 are projected to be satisfied in the coming year through achievement of program objectives and operating expenditures.

Groundswell's goal is generally to maintain financial assets to meet a minimum of 90 days of essential operating expenses (approximately \$250,000).

4. **Cash and Cash Equivalents**

Cash and cash equivalents consist of the following:

<u>As of December 31:</u>	<u>2020</u>	<u>2019</u>
Checking Accounts	\$ 1,018,563	\$ 288,578
Money Market Account	560,649	358,234
Total Cash and Cash Equivalents	<u>\$ 1,579,212</u>	<u>\$ 646,812</u>

During the year, the organization's cash balances with one financial institution usually exceed the \$250,000 FDIC coverage amount. Management monitors its cash balances and does not believe the organization is exposed to any significant credit risk on these balances.

5. **Contributions and Grants Receivable**

Receivable balances totaled \$8,209 and \$26,082 as of December 31, 2020 and 2019, respectively. All balances are expected to be collected in the subsequent year, and no allowance doubtful is considered necessary.

6. **Endowment**

In August 2013, Groundswell used \$20,000 of its funds with no donor restrictions to establish a board-designated endowment at the Oklahoma City Community Foundation. The name of the fund is "Groundswell International, Inc." The endowment includes \$600 to be held in perpetuity and is included in net assets with donor restrictions. The following shows a summary of the fund activity, by net assets class, during 2020:

	<u>Board Designated</u>	<u>Endowment In Perpetuity</u>	<u>Total Endowment</u>
Transfer from Groundswell	\$ 20,000	\$ 600	\$ 20,600
Prior Accumulated Income/Gains	4,750	-	4,750
2020 Activity:			
Investment Income	291	-	291
Investment Gains	2,731	-	2,731
Release to Groundswell Operating	(1,187)	-	(1,187)
Community Foundation Fees	(300)	-	(300)
Value as of December 31, 2020	<u>\$ 26,285</u>	<u>\$ 600</u>	<u>\$ 26,885</u>

7. **Net Assets Without Donor Restrictions**

Net assets without donor restrictions totaled \$201,836 and \$88,704 as of December 31, 2020 and 2019, respectively. In addition to the Endowment in Disclosure 6, the Board designated \$40,000 of Net Assets for future contingencies and purposes. These Board designated funds have no donor restrictions and are held in the cash reserve account. Net assets designated by the Board totaled \$66,285 and \$64,750 as of the years ended December 31, 2020 and 2019, respectively.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

<u>As of December 31:</u>	2020	2019
West Africa Program	\$ 334,988	\$ 395,318
Latin America and the Caribbean Program	995,896	375,923
South Asia Program	69,572	25,000
Endowment in Perpetuity	600	600
Total Net Assets With Donor Restrictions	<u>\$ 1,401,056</u>	<u>\$ 796,841</u>

9. Grants to Partners

Groundswell provides grants to partners and allied organizations engaged in work that furthers its mission. In 2020 and 2019, Groundswell made grants to partner organizations in the following regions:

<u>Year Ended December 31:</u>	2020	2019
<u>West Africa Program</u>		
Burkina Faso Programs	\$ 298,932	\$ 236,003
Ghana Programs	450,828	154,200
Mali Programs	122,264	72,344
Senegal Programs	82,258	73,429
<u>Latin America and the Caribbean Program</u>		
Ecuador Programs	66,750	60,000
Guatemala Programs	90,045	73,477
Haitian Programs	381,898	146,275
Honduras Programs	57,498	25,000
Mexico Programs	152,530	162,293
<u>South Asia Program</u>		
Nepal Programs	36,800	37,618
Total Grants to Partners	<u>\$ 1,739,803</u>	<u>\$ 1,040,639</u>

10. Fund Benefiting Groundswell

Groundswell is the income beneficiary of an endowment fund held in perpetuity and owned by the Oklahoma City Community Foundation. The Groundswell International Milburn Legacy Fund for Africa was established in October 2015 by a private donor as an endowment to support Groundswell's work in Africa. The fund is not owned by Groundswell and is not reflected in the organization's assets. Groundswell received distributions of \$54,015 and \$52,811 from the fund in 2020 and 2019, respectively.

11. PPP Conditional Grant Award

On April 17, 2020, the organization received a Paycheck Protection Program loan in the amount of \$90,900. The loan was forgiven when the organization met the criteria specified in the agreement and was recognized as grant revenue on December 23, 2020 when the SBA approved the application for forgiveness.

12. Line of Credit

In June 2020, Groundswell renewed a \$75,000 revolving line of credit with PNC Bank for an additional year. The instrument is unsecured and has a variable interest rate. There is no outstanding balance as of December 31, 2020.

13. Lease Agreements

Groundswell rents office space on a month-to-month basis as needed. Rent and occupancy expense for the years ended December 31, 2020 and 2019 was \$27,921 and \$42,562, respectively.

14. Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

<u>Financial Assets</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Endowment	\$ 26,885	\$ -	\$ -	\$ 26,885

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

Financial assets valued using Level 3 inputs are based partially on unobservable inputs:

Endowment fund with community foundation -- fair values provided by the Foundation are used without adjustment. The applicable unobservable estimates are developed by the Foundation.

Financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Endowment</u>
Balance as of January 1, 2020	\$ 25,350
Contributions	-
Change in Value, Net (Note 6)	2,722
Distributions	(1,187)
Balance as of December 31, 2020	<u>\$ 26,885</u>

15. Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the effects of the global situation on the organization's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for the fiscal year 2021.

16. Subsequent Events

Subsequent events have been evaluated through June 4, 2021, which is the date the financial statements were available to be issued.