

BOULDER CREST FOUNDATION

Bluemont, Virginia

FINANCIAL STATEMENTS

DECEMBER 31, 2020

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boulder Crest Foundation
Bluemont, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Boulder Crest Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses and cash flows 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 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 Boulder Crest Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
March 23, 2021

BOULDER CREST FOUNDATION

Statements of Financial Position

December 31, 2020 and 2019

Assets	2020	2019
Current Assets		
Cash and cash equivalents	\$ 17,628,311	\$ 821,610
Pledges receivable, current portion	740,000	300,000
Prepaid expenses	95,971	154,281
Other receivables	<u>162,059</u>	<u>50</u>
Total current assets	<u>\$ 18,626,341</u>	<u>\$ 1,275,941</u>
Property and Equipment		
Buildings	\$ 14,621,914	\$ 14,598,912
Land and improvements	3,400,453	3,400,453
Furniture and equipment	1,044,076	1,017,907
Website and application	253,340	253,340
Vehicles	<u>420,203</u>	<u>495,203</u>
	\$ 19,739,986	\$ 19,765,815
Less accumulated depreciation	<u>3,630,472</u>	<u>2,809,139</u>
Total property and equipment, net	<u>\$ 16,109,514</u>	<u>\$ 16,956,676</u>
Other Assets		
Investments	\$ --	\$ 11,226,029
Intangibles	16,765	16,151
Long-term pledges receivable, net of discount of \$52,464 in 2020 and \$6,071 in 2019	<u>1,542,536</u>	<u>193,929</u>
Total other assets	<u>\$ 1,559,301</u>	<u>\$ 11,436,109</u>
Total assets	<u>\$ 36,295,156</u>	<u>\$ 29,668,726</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 113,100	\$ 189,186
Funds held for others	<u>162,326</u>	<u>93,873</u>
Total current liabilities	<u>\$ 275,426</u>	<u>\$ 283,059</u>
Net Assets		
Without donor restrictions	\$ 24,331,064	\$ 21,625,077
With donor restrictions	<u>11,688,666</u>	<u>7,760,590</u>
Total net assets	<u>\$ 36,019,730</u>	<u>\$ 29,385,667</u>
Total liabilities and net assets	<u>\$ 36,295,156</u>	<u>\$ 29,668,726</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Activities

For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain (Loss) and Other Support			
Contributions	\$ 2,137,199	\$ 15,131,442	\$ 17,268,641
Contribution portion of special events	163,051	--	163,051
Exchange portion of special events, net	308,951	--	308,951
Grants	2,639,772	1,368,298	4,008,070
Government grant, Paycheck Protection Program	418,478	--	418,478
Seminar income, net	92,500	--	92,500
Book sales, net	37,156	--	37,156
Investment return, net	31,006	36,558	67,564
Other revenue	41,608	--	41,608
(Loss) on disposal of assets	(66,831)	--	(66,831)
Net assets released from restrictions	<u>12,608,222</u>	<u>(12,608,222)</u>	<u>--</u>
Total revenues, gain (loss) and other support	<u>\$ 18,411,112</u>	<u>\$ 3,928,076</u>	<u>\$ 22,339,188</u>
Expenses			
Program services	\$ 14,463,048	\$ --	\$ 14,463,048
Management and general	832,898	--	832,898
Fundraising	<u>409,179</u>	<u>--</u>	<u>409,179</u>
Total expenses	<u>\$ 15,705,125</u>	<u>\$ --</u>	<u>\$ 15,705,125</u>
Change in net assets	<u>\$ 2,705,987</u>	<u>\$ 3,928,076</u>	<u>\$ 6,634,063</u>
Net assets, beginning of year	<u>\$ 21,625,077</u>	<u>\$ 7,760,590</u>	<u>\$ 29,385,667</u>
Net assets, end of year	<u>\$ 24,331,064</u>	<u>\$ 11,688,666</u>	<u>\$ 36,019,730</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Activities

For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain (Loss) and Other Support			
Contributions	\$ 1,748,174	\$ 3,963,600	\$ 5,711,774
Contribution portion of special events	372,634	--	372,634
Exchange portion of special events, net	810,914	--	810,914
Grants	185,000	2,541,878	2,726,878
Investment return, net	86,338	44,971	131,309
Other revenue	54,100	--	54,100
(Loss) on disposal of assets	(496)	--	(496)
Net assets released from restrictions	<u>5,482,964</u>	<u>(5,482,964)</u>	<u>--</u>
Total revenues, gain (loss) and other support	<u>\$ 8,739,628</u>	<u>\$ 1,067,485</u>	<u>\$ 9,807,113</u>
Expenses			
Program services	\$ 6,016,294	\$ --	\$ 6,016,294
Management and general	495,550	--	495,550
Fundraising	<u>412,883</u>	<u>--</u>	<u>412,883</u>
Total expenses	<u>\$ 6,924,727</u>	<u>\$ --</u>	<u>\$ 6,924,727</u>
Change in net assets	<u>\$ 1,814,901</u>	<u>\$ 1,067,485</u>	<u>\$ 2,882,386</u>
Net assets, beginning of year	<u>\$ 19,810,176</u>	<u>\$ 6,693,105</u>	<u>\$ 26,503,281</u>
Net assets, end of year	<u>\$ 21,625,077</u>	<u>\$ 7,760,590</u>	<u>\$ 29,385,667</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Cabin and lodge	\$ 75,624	\$ --	\$ --	\$ 75,624
Retreat vehicle	12,024	--	--	12,024
Retreat program	155,225	--	--	155,225
Program R&D	1,040,035	--	--	1,040,035
PATHH expenses	381,591	--	--	381,591
Janitorial services and ground maintenance	193,331	16,516	--	209,847
Avalon Fund expenses	9,297,827	--	--	9,297,827
Professional and consulting costs	--	109,685	475	110,160
Bank and merchant fees	--	614	21,121	21,735
Salaries, taxes, and payroll fees	2,017,147	288,040	238,434	2,543,621
Employee benefits	229,359	40,031	28,431	297,821
Conferences, training, and meetings	--	62,096	--	62,096
General fundraising	--	--	33,071	33,071
Insurance	79,800	6,369	--	86,169
Office supplies and expenses	833	27,322	--	28,155
Utilities	96,347	--	--	96,347
Postage and delivery	--	2,896	12,612	15,508
Printing and copying	--	--	21,413	21,413
Web and software	--	1,803	7,302	9,105
Depreciation and amortization	842,835	--	--	842,835
Donor management software	--	--	6,477	6,477
Travel	1,606	14,958	--	16,564
Fundraising event costs	--	--	12,779	12,779
Marketing PR and outreach	39,464	251,388	27,064	317,916
Other	--	11,180	--	11,180
Total	<u>\$ 14,463,048</u>	<u>\$ 832,898</u>	<u>\$ 409,179</u>	<u>\$ 15,705,125</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Cabin and lodge	\$ 84,181	\$ --	\$ --	\$ 84,181
Retreat vehicle	7,092	--	--	7,092
Retreat program	212,569	--	--	212,569
Program R&D	685,561	--	--	685,561
PATHH expenses	565,956	--	--	565,956
Janitorial services and ground maintenance	203,027	--	--	203,027
Avalon Fund expenses	1,302,730	--	--	1,302,730
Professional and consulting costs	--	164,763	23,634	188,397
Bank and merchant fees	--	361	1,391	1,752
Salaries, taxes, and payroll fees	1,753,902	214,061	221,649	2,189,612
Employee benefits	190,586	5,439	29,199	225,224
Conferences, training, and meetings	--	35,050	--	35,050
General fundraising	--	--	96,737	96,737
Insurance	74,898	6,369	--	81,267
Office supplies and expenses	--	22,336	--	22,336
Utilities	105,545	--	--	105,545
Postage and delivery	--	2,672	--	2,672
Printing and copying	--	538	--	538
Web and software	--	2,735	--	2,735
Depreciation and amortization	830,247	--	--	830,247
Donor management software	--	--	25,054	25,054
Travel	--	37,459	--	37,459
Fundraising event costs	--	--	15,219	15,219
Other	--	3,767	--	3,767
Total	<u>\$ 6,016,294</u>	<u>\$ 495,550</u>	<u>\$ 412,883</u>	<u>\$ 6,924,727</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 6,634,063	\$ 2,882,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	842,835	830,247
Unrealized and realized loss	1,208	1,555
Loss on disposition of asset	66,831	496
Donation of property and equipment	(14,126)	(26,000)
(Increase) decrease in pledges receivable	(1,788,607)	5,149,623
(Increase) decrease in other receivables	(162,009)	9,985
Decrease (increase) in prepaid expenses	58,310	(77,142)
(Decrease) in accounts payable and accrued expenses	(76,086)	(25,668)
Increase (decrease) in funds held for others	68,453	(355,823)
Net cash provided by operating activities	\$ 5,630,872	\$ 8,389,659
 Cash Flows from Investing Activities		
Purchase of property and equipment	\$ (47,150)	\$ (173,099)
Purchase of intangible assets	(1,842)	(5,347)
Proceeds received from disposal of assets	-	300
Purchase of securities	(5,621,741)	(15,560,096)
Proceeds from sales of investments	16,846,562	4,592,516
Net cash provided by (used in) investing activities	\$ 11,175,829	\$ (11,145,726)
Increase (decrease) in cash and cash equivalents	\$ 16,806,701	\$ (2,756,067)
 Cash and Cash Equivalents		
Beginning	\$ 821,610	\$ 3,577,677
Ending	\$ 17,628,311	\$ 821,610
 Supplemental Disclosures of Non-Cash Investing Activities,		
in-kind donations of property and equipment	\$ 14,126	\$ 26,000

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Notes to Financial Statements

Note 1. Description of the Organization

Boulder Crest Foundation (the “Foundation”) exists to enable active military service members, military veterans, first responders, and their family members, as well as those struggling with the effects of trauma, to transform times of deep struggle into profound strength and posttraumatic growth, including without limitation by: (a) owning and operating retreat facilities for the delivery of programs that enable participants to transform times of struggle (including the visible and invisible injuries of war, such as posttraumatic stress disorder, traumatic brain injuries, combat stress, and other mental health conditions) into profound strength and posttraumatic growth, and (b) by granting funding to organizations focused on the visible and invisible injuries of war, including those replicating programs developed at the Foundation’s retreat facilities, as well as other innovative work with respect to traumatic brain injuries.

The Avalon Fund is a specific project of the Foundation. The Avalon Fund’s mission is to create a comprehensive national network to solve the catastrophic effects Traumatic Brain Injuries (TBI) and Posttraumatic Stress Disorder (PTSD) have on our nation’s veterans. The Marcus Institute of Brain Health (MIBH) and Boulder Crest are at the forefront of innovative and effective approaches to healing the invisible injuries of war. The Avalon Fund endeavors to scale the MIBH and Boulder Crest’s proven approaches. With a \$200 million fund, they will create the first nationwide network delivering integrative solutions for TBI and PTSD. Boulder Crest serves as the fiscal sponsor for the Avalon Fund.

Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Net assets, revenues, and expenses are classified based on the terms of donor-imposed restrictions, if any. Accordingly, the net assets, revenues, and expenses of the Foundation are classified and reported as follows:

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

Notes to Financial Statements

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 elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 reporting period. Actual results could differ from those estimates.

Investments

Investments are recorded at fair market value in the statement of financial position. Any realized and unrealized gains and losses are reflected in the statement of activities.

Cash and Cash Equivalents

For financial statement purposes, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Balances in these accounts may, at times, exceed federally insured limits. The Foundation has not experienced any loss in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using the prime rate. Amortization of the discount is included in contribution revenue. There is no allowance for uncollectible promises to give.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair market value at the time of donation. Depreciation is calculated using the straight-line method over the assets' useful lives as follows:

Buildings	39.5 years
Land improvements	10 - 39.5 years
Furniture and equipment	3 - 10 years
Website	3 years
Vehicles	3 - 7 years

Notes to Financial Statements

Revenue Recognition

The Foundation records special events revenue equal to the cost of direct benefits to donors and contribution revenue for the difference. The Foundation recognizes contributions and grants when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognition until the conditions on which they depend have been substantially met.

Gifts of cash and other assets for the general use and benefit of the Foundation are presented as net assets without donor restrictions. Other contributions are presented as net assets with donor restrictions if they are received with donor stipulations that further limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions whose restrictions are met in the same year are reflected as net assets without donor restrictions. Promises to give are recognized as revenue when the pledge is received from a donor and as an expense when payment is authorized by the Board of Directors. Amounts due to be received or paid are discounted to their net present value. Changes in discounts are recognized as contribution revenue or expense over the period of the pledge.

Donated Goods and Services

Donated services that create or enhance non-financial assets or that require specialized skills and would have been purchased if not provided by individuals possessing those skills are recorded in the statement of activities at their fair value. Other donated services received that do not meet these criteria are not recorded in the financial statements. Donated goods and construction materials are recorded at their fair value on date of donation.

Allocation Methodology for the Statement of Functional Expenses

The cost of providing the various programs and activities has been summarized in the statement of functional expenses. Certain costs have been allocated among program, management and general, and fundraising. All expenses have been allocated based on direct costs with the exception of salaries, taxes and payroll fees which are allocated based on direct costs and time and effort. Such allocations have been made by management on an equitable basis.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code 501(c)(3) and has been determined not to be a private foundation under Code Section 509(a). The Foundation will only be taxed to the extent it has taxable trade or business income unrelated to its exempt purpose.

Notes to Financial Statements

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Foundation for its year ending December 31, 2021. Early adoption is permitted. The Foundation is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

Note 3. Liquidity and Availability of Resources

The Foundation has \$1,307,279 and \$4,687,155 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures as of December 31, 2020 and 2019, respectively. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Board of Directors has designated one year of operating cash or \$6,876,280 for the year ended December 31, 2020. These funds could be made available to meet general operating needs by the Board of Directors, if necessary.

	2020	2019
Financial assets, at year-end:		
Cash and cash equivalents	\$ 17,628,311	\$ 821,610
Pledges receivable	2,282,536	493,929
Other receivables	162,059	50
Investments	--	11,226,029
Total financial assets	\$ 20,072,906	\$ 12,541,618
Less amounts not available to be used within one year:		
Restricted cash	\$ 162,326	\$ 93,873
Restricted by donors for purpose	11,634,794	7,566,661
Restricted by donors for time	92,227	193,929
Board designated - operating reserve	6,876,280	--
	\$ 18,765,627	\$ 7,854,463
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,307,279	\$ 4,687,155

Notes to Financial Statements

Note 4. Restricted Cash and Funds Held for Others

The Foundation has an agreement with a third party to administer funds to assist Veterans in reducing barriers to care. Funds are classified as restricted cash and funds held for others on the statements of financial position. The outstanding balance was \$162,326 and \$93,873 as of December 31, 2020 and 2019, respectively. The Foundation received \$35,000 to administer the funds during the years ended December 31, 2020 and 2019.

Note 5. Paycheck Protection Program

During the year ended December 31, 2020, the Foundation received a \$416,200 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the United States Small Business Administration (SBA). The loan accrued interest at 1% with a maturity of two years from the date of the loan. The Foundation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. As of December 31, 2020, the loan and accrued interest had been formally forgiven. This was recognized as revenue on the Statement of Activities for the year ended December 31, 2020.

Note 6. Pledges Receivable

The outstanding pledges receivable are due as follows:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 740,000	\$ 300,000
One to three years	<u>1,595,000</u>	<u>200,000</u>
	\$ 2,335,000	\$ 500,000
Less present value discount (1.10% - 2.76%)	<u>(52,464)</u>	<u>(6,071)</u>
	<u>\$ 2,282,536</u>	<u>\$ 493,929</u>

Note 7. Related Party Transactions

The Foundation receives cash and non-cash (time and travel expenses) contributions from members of the Board of Directors and certain businesses owned by and/or employing members of the Board of Directors. The Foundation had a shared employee with related organization EOD Warrior Foundation whereas Ken Falke was the Founder and Chairman. This relationship was terminated as of June 30, 2020.

Notes to Financial Statements

Note 8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
PATHH Program	\$ 1,000,000	\$ 150,000
Improvements and operations for Arizona property	25,000	25,000
Operations for the VA and AZ properties	--	374,710
Avalon Fund	8,237,352	6,766,951
Avalon Fund - Tulane University	1,950,309	--
Institute for PTG training for mental health professionals	--	50,000
1st Responder Initiative	33,403	--
Boulder Crest Institute	105,375	--
Time restriction	<u>337,227</u>	<u>393,929</u>
	<u>\$ 11,688,666</u>	<u>\$ 7,760,590</u>

Net assets were released from donor restrictions for the years ended December 31, 2020 and 2019 by incurring expenses satisfying the purpose specified by the donor as follows:

	<u>2020</u>	<u>2019</u>
PATHH Program	\$ 100,000	\$ 778,750
Improvements and operations for Arizona property	25,000	475,582
Operations for the VA and AZ properties	374,710	1,625,289
Avalon Fund	11,247,290	2,336,843
Avalon Fund - Tulane University	500,000	--
1st Responder Initiative	16,597	--
Boulder Crest Institute	4,625	--
Institute for PTG training for mental health professionals	50,000	--
Family programs	50,000	--
Time restriction	<u>240,000</u>	<u>266,500</u>
	<u>\$ 12,608,222</u>	<u>\$ 5,482,964</u>

Notes to Financial Statements

Note 9. Investments

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are briefly described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of all of the marketable securities as of December 31, 2019 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.)

The following table presents the balance of financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2019. There were no investments as of December 31, 2020.

	2019			
	Level 1	Level 2	Level 3	Total
Assets				
Cash	\$ 47	\$ --	\$ --	\$ 47
Mutual Funds	11,225,982	--	--	11,225,982
	\$ 11,226,029	\$ --	\$ --	\$ 11,226,029

Note 10. Investments

Investments as of December 31, 2019 were as follows. There were no investments as of December 31, 2020.

	2019		
	Cost	Market Value	Unrealized (Depreciation)
Cash	\$ 47	\$ 47	\$ --
Mutual funds	11,226,142	11,225,982	(160)
Total	\$ 11,226,189	\$ 11,226,029	\$ (160)

Notes to Financial Statements

Investment return, net was as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Dividend income	\$ 62,897	\$ 124,612
Interest income	827	8,252
Net realized and unrealized gain (loss)	<u>3,840</u>	<u>(1,555)</u>
	<u>\$ 67,564</u>	<u>\$ 131,309</u>

Note 11. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 23, 2021, the date the financial statements were available to be issued. The Foundation has determined there are no subsequent events that require recognition or disclosure.