

AUDITED FINANCIAL STATEMENTS

EASTERN CAROLINA COMMUNITY FOUNDATION
Florence, South Carolina

December 31, 2020

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DIVISION FOR CPA FIRMS
AMERICAN INSTITUTE OF CPAS

1341 W. ALICE DRIVE, 29505
P.O. DRAWER 4707
FLORENCE, SC 29502
TELEPHONE (843) 669-3142
TELECOPIER (843) 662-9255

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Eastern Carolina Community Foundation
Florence, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Eastern Carolina Community Foundation (a nonprofit organization), 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 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 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 Eastern Carolina Community Foundation, 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.



Florence, South Carolina

April 20, 2021

Eastern Carolina Community Foundation
Statement of Financial Position
December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 216,765
Investments--Note B	13,093,833
Prepaid expenses	1,509
Property and equipment, net--Note C	<u>4,517</u>

TOTAL ASSETS \$ 13,316,624

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 1,383
Line of credit--Note G	15,900
Current maturities of long-term debt--Note H	11,400
Funds held for others - agency funds	<u>6,812,078</u>

TOTAL CURRENT LIABILITIES 6,840,761

LONG-TERM DEBT, less current maturities--Note H 4,699

6,845,460

NET ASSETS

NET ASSETS

Without restrictions	
Foundation Funds--Note E	6,414,734
Administrative Funds	<u>56,430</u>

TOTAL NET ASSETS 6,471,164

TOTAL LIABILITIES AND NET ASSETS \$ 13,316,624

See notes to financial statements.

Eastern Carolina Community Foundation
Statement of Activities
Year Ended December 31, 2020

REVENUES

Contributions	\$ 1,799,032
Investment income, net	729,895
Other income	<u>7</u>

TOTAL REVENUES 2,528,934

EXPENSES

Grants	321,424
Salaries and benefits	52,878
Professional and administrative fees	24,392
Supplies and other	26,291
Fundraising	3,924
Interest	831
Depreciation	<u>144</u>

TOTAL EXPENSES 429,884

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 2,099,050

Net assets without donor restrictions at beginning of year 4,372,114

NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR \$ 6,471,164

See notes to financial statements.

Eastern Carolina Community Foundation

Statement of Cash Flows

Year Ended December 31, 2020

CASH FLOW FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 2,099,050
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	144
Net realized and unrealized gains on investments	(832,160)
Increase in prepaid expenses	(1,509)
Increase in accounts payable and accrued expenses	427
Increase in funds managed for other organizations	<u>1,031,580</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>2,297,532</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(4,661)
Net purchases and sales of investments	<u>(2,210,630)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u><u>(2,215,291)</u></u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Net proceeds from line of credit	114
Proceeds from long-term debt	<u>16,099</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u><u>16,213</u></u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 98,454

Beginning cash and cash equivalents 118,311

ENDING CASH AND CASH EQUIVALENTS \$ 216,765

Supplemental Data:

Interest paid	<u><u>\$ 831</u></u>
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See notes to financial statements.

Eastern Carolina Community Foundation
Statement of Functional Expenses
Year Ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 321,424	\$ -	\$ -	\$ 321,424
Salaries and benefits	-	26,439	26,439	52,878
Professional and administrative fees	-	24,392	-	24,392
Supplies and other	-	26,291	-	26,291
Fundraising	-	-	3,924	3,924
Interest	-	831	-	831
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses before depreciation	321,424	77,953	30,363	429,740
Depreciation	<hr/>	<hr/>	<hr/>	<hr/>
	-	144	-	144
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 321,424</u>	<u>\$ 78,097</u>	<u>\$ 30,363</u>	<u>\$ 429,884</u>

See notes to financial statements.

Eastern Carolina Community Foundation

Notes to Financial Statements

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operation

Eastern Carolina Community Foundation (the Foundation) is a nonprofit organization founded in 2006 established to meet the changing needs of the Pee Dee. The purpose of the Foundation is to serve the needs and interests of the residents of Chesterfield, Darlington, Dillon, Florence, Marlboro, Marion and Williamsburg counties.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenue and related assets are recognized when earned, and expenses are recognized when the obligation is incurred.

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. A description of the two net asset categories follows:

- Without donor restrictions net assets - net assets that are not subject to donor-imposed restrictions, as well as funds designated for specific purposes by action of the Board of Directors.
- With donor restrictions net assets - net assets subject to donor-imposed restrictions, including underwater endowments that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank demand deposits and short-term, highly liquid investments which are readily convertible to cash within ninety days of purchase. For the statement of cash flows, the Foundation considers all unrestricted with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at estimated fair value on the statement of financial position. Fair values of investments are estimated based on quoted market prices where available. Investments consist of shares of registered investment companies (mutual funds). Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost of the investments sold using the average cost of the investments sold. Unrealized gains and losses are included in the change in net assets in the statements of activities.

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are recorded as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contributions

Unconditional donor promises to give cash and other assets are reported at fair value at the date there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Foundation. The promises are reported as restricted support if received with donor stipulations that sufficiently 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 are reported on the statement of activities as net assets released from restrictions.

Income Taxes

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Foundation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Foundation incurred no unrelated business income for the year ended December 31, 2020.

The Foundation files income tax returns in the U.S. federal jurisdiction and the state of South Carolina. The Foundation is no longer subject to U.S. federal, state and local, tax examinations by tax authorities for years before 2017.

Because the Foundation is exempt from taxation under Internal Revenue Code 501(c)(3), the Foundation is generally not exposed to interest and penalties related to income taxes. When applicable, the Foundation recognizes interest and penalties paid related to tax obligations and benefits in management and general expenses.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. The Foundation accounts for its contributions per Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 720-25. In accordance with FASB ASC 720-25, contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions support depending on the existence and/or nature of any donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Revenue Recognition - - Continued

use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on 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.

Investment income is invested for various funds and organizations. The revenue from investment income comes from dividends, interest, unrealized and realized gains and losses on investments.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Credit and Market Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents, marketable securities, and alternative investments. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 or the Securities Investors Protection Corporation up to \$500,000. Certain accounts are also covered by the financial institutions' additional insurance for account balances in excess of \$500,000. Deposits may at times exceed the federally insured limits, and credit exposure is limited to deposits at any one institution in excess of this limit. The Foundation has not experienced any losses on its cash and cash equivalents. Uninsured cash balances as of December 31, 2020, were approximately \$285,179. The Foundation invests in a variety of investments which are subject to fluctuations in market values and expose the Foundation to a certain degree of interest and credit risk.

Funds Held for Others

Funds held for others as agency funds represent component funds established by unaffiliated not-for-profit organizations for their own benefit.

Donated Assets

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

Donated Services

No amounts have been reflected in the financial statements for donated services. The Foundation pays for most services required specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and various committee assignments.

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Net Assets

The Foundation's net assets and its support and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions using two classifications: net assets without donor restrictions and net assets with donor restrictions. Most contributions, including those with donor-imposed restrictions, are subject to the variance power established by the Foundation's governing documents. The variance power allows the Board of Directors to modify donor instructions that are incapable of fulfillment or inconsistent with the charitable needs of the community. As a result of the variance power, most contributions are classified as net assets without donor restrictions for financial statement purposes.

Spending Policy

The Foundation has adopted a policy whereby it limits the amount of spending that may be utilized for grant purposes from endowments to a range of 3% to 6% (3.5% in 2020) of the average daily balance of investments over the prior twenty quarters. However, in no event shall the distribution exceed 3.0% of the average daily balance of the last quarter. This policy enables the Foundation to preserve and strengthen its investment base for the future.

NOTE B - FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America provide a framework for measuring fair value (FASB ASC 820). The framework provides a 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 under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE B - FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

Following is a description of the valuation methodologies used for assets measured at fair value:

- *Shares of registered investment companies:* Valued at net asset value (NAV) of shares held by the Foundation at year end.
- *Money Market Funds:* Value based on inputs derived from observable market data based on US currency.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while 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 following table set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020:

	<u>Assets at Fair Value as of December 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Shares of registered investment companies	\$ 12,799,330	\$ -	\$ -	\$ 12,799,330
Money Market Funds	<u>-</u>	<u>294,503</u>	<u>-</u>	<u>294,503</u>
Total assets at fair value	<u>\$ 12,799,330</u>	<u>\$ 294,503</u>	<u>\$ -</u>	<u>\$ 13,093,833</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2020:

Leasehold improvements	\$ 3,011
Furniture, fixtures and equipment	<u>7,172</u>
	10,183
Less: accumulated depreciation	<u>5,666</u>
	<u>\$ 4,517</u>

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE D - LEASE OBLIGATIONS

Effective November 1, 2011, the Foundation began renting office space in a building from a third party. Under the terms of the lease agreement, the Foundation is required to pay monthly rent equal to one-half of the common area maintenance expenses of the building. The original lease terminated on October 31, 2013, and the Foundation exercised the third of three renewal options for an additional two-year period. Estimated future minimum lease payments under this lease as of December 31, 2020, are as follows:

Year Ending December 31,

2021	<u>\$ 7,500</u>
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Total rent expense during the year ended December 31, 2020 was \$7,500.

NOTE E - FUND CLASSIFICATION

The activities and balances of the Foundation are classified for internal purposes into the following groups:

Foundation Funds

Unrestricted (Discretionary) – The Foundation’s Unrestricted Funds are not designated for a specific charitable beneficiary. These funds are disbursed at the discretion of the Foundation’s Board of Directors in response to requests from nonprofit organizations and based on an assessment of the most pressing needs. Unrestricted funds are also used to pay administrative expenses.

Donor-Advised – Donor-Advised Funds are created by donors who wish to remain active in their philanthropy and have access to the Foundation’s professional advice and management. Donors may suggest charitable distributions from funds they have established, although the Foundation’s Board of Directors has final authority to approve or deny all such grants. Technically, donor-advised funds are a type of unrestricted fund.

Scholarship – Scholarship funds are available for the purpose of providing scholarships for high school and college students.

Designated – Designated funds have been established by a donor to provide grants to a specific charitable agency or for a specific charitable purpose. The Board of Directors accepts the donor’s designation as long as the agency or purpose continues to serve the public interest. Scholarship funds and project funds are included in this category.

Green Leaf – Green Leaf funds grow over time from their first “green leaf” donation of at least \$1,000 until they reach full size in five years.

Management Endowment – Management Endowment funds are designated for operations of the Foundation. Endowment or endowed funds are Foundation funds held on a long-term basis. Because the Foundation’s board has the ability to modify any restriction on these funds, the funds, although referred to as endowments, are not classified as “permanently restricted.”

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE E - FUND CLASSIFICATION - Continued

Administrative Funds

This fund is used for the management and administrative of the Foundation, including general, financial and development activities, legal and accounting fees, publications, communications, and other operating expenses.

Additional Information

All fund types may be established either as endowed or non-endowed funds. Endowed funds are intended to be permanent funds and are subject to the Foundation's spending policy. Non-endowed funds are intended to be spent down over time, and are 100% spendable.

Listing of Net Assets Without Donor Restrictions – Foundation Funds

A breakdown of the net assets without donor restrictions – Foundation funds for the year ended December 31, 2020, follows:

<u>Fund Type</u>	<u>December 31, 2020</u>		
	<u>Endowed</u>	<u>Non-Endowed</u>	<u>Total</u>
Discretionary	\$ -	\$ 10,524	\$ 10,524
Donor advised	5,355,519	84,620	5,440,139
Scholarship	273,998	-	273,998
Designated	637,898	358	638,256
Green Leaf	-	5,612	5,612
Management	46,205	-	46,205
Total	<u>\$ 6,313,620</u>	<u>\$ 101,114</u>	<u>\$ 6,414,734</u>

NOTE F - INTERNAL FEES CHARGED TO FUNDS

The Foundation enters into agreements with donors when a fund is established that includes an internal administrative fee. The current fee schedules range from 1% to 1.5% of annual average daily balance of the market value of the fund based on the type of fund and services required. Green Leaf Funds is \$100 annual fee, assessed as \$25 per quarter.

NOTE G - LINE OF CREDIT

The Foundation has a \$20,000 line of credit with a bank to be drawn as needed through November 30, 2022. The line carries an interest rate of 5.25% and is unsecured as of December 31, 2020. Under the terms of this agreement, the Foundation agreed to make monthly interest payments with the entire principal amount plus all accrued interest due and payable at terms end. As of December 31, 2020, \$15,900 of the line of credit had been drawn down.

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE H - NOTES PAYABLE

Notes payable consisted of the following as of December 31, 2020:

In April 2020, the Foundation received a Paycheck Protection Program (PPP) loan as provided under the CARES (Coronavirus Aid, Relief, and Economic Security) Act, and administered by the federal Small Business Administration (SBA) in the amount of \$16,099. This loan bears interest at 1.0% and is repayable over a specified period depending on the timing of the loan, financial institution used, and the CARES Act guidance. The loan may be forgiven if the proceeds of the loan are spent on payroll and other qualifying non-payroll costs incurred over the applicable period specified by the CARES Act.	<u>\$ 16,099</u> 16,099
Less: current portion	<u>11,400</u> <u>\$ 4,699</u>

NOTE I - CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*. This guidance is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. This ASU provides additional guidance related to transfers between cash and restricted cash and how entities present, in their statements of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. We have adopted these provisions in the accompanying financial statements.

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. We have implemented Topic 606 and have adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

NOTE J - LIQUIDITY

The following chart represents the Foundation's financial assets available to meet cash needs for general expenditures within one year of December 31, 2020. Amounts not available for expenditure within one year include long-term investment of endowment funds and investments subject to contractual restriction.

Eastern Carolina Community Foundation

Notes to Financial Statements--Continued

December 31, 2020

NOTE J - LIQUIDITY - Continued

Financial assets at year-end*	
Cash and cash equivalents	\$ 216,765
Investments	<u>13,093,833</u>
Total financial assets	<u>13,310,598</u>
Funds held for others - agency funds	<u>(6,812,078)</u>
Financial assets available to meet cash needs for general expenditures	<u>\$ 6,498,520</u>

* Total assets, less nonfinancial assets (e.g. real property)

As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments.

NOTE K - CONTINGENCIES

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. 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, employees, and vendors, 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.

The Foundation has obtained funding through the Small Business Administration (SBA) to assist the Company during the COVID-19 pandemic. This funding is detailed in Note H above.

NOTE L - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date these financial statements were available to be issued - April 20, 2021.