

**FINANCIAL STATEMENTS OF  
TOMPKINS COUNTY PUBLIC LIBRARY  
FOUNDATION, INC.  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Tompkins County Public Library Foundation, Inc.  
Ithaca, New York 14850

We have audited the accompanying financial statements of Tompkins County Public Library Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, statements of functional expenses, and statements of 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 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 Tompkins County Public Library Foundation, Inc., as of December 31, 2019 and 2018, 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.

A handwritten signature in black ink that reads "Sciarabba Walker & Co. LLP". The signature is written in a cursive, flowing style.

Sciarabba Walker & Co., LLP

Ithaca, New York  
August 13, 2020

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,**

**ASSETS**

	2019	2018
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 857,412	\$ 893,042
Unconditional promises to give, current portion net of allowance for unfulfilled pledges of \$2,000	101,950	94,050
Prepaid expenses	4,813	-
<b>TOTAL CURRENT ASSETS</b>	<b>964,175</b>	<b>987,092</b>
<b>RESTRICTED CASH AND CASH EQUIVALENTS</b>	135,478	36,913
<b>FIXED ASSETS</b> , net of accumulated depreciation	6,741	8,136
<b>LONG-TERM INVESTMENTS</b>	2,067,853	2,015,952
<b>LONG-TERM UNCONDITIONAL PROMISES TO GIVE</b> , net of discount	60,000	-
<b>TOTAL ASSETS</b>	<b>\$ 3,234,247</b>	<b>\$ 3,048,093</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Due to Tompkins County Public Library	\$ 39,636	\$ 28,421
Accounts payable and accrued liabilities	13,315	19,129
<b>TOTAL CURRENT LIABILITIES</b>	<b>52,951</b>	<b>47,550</b>
<b>NET ASSETS:</b>		
Without donor restrictions	2,026,383	2,007,995
With donor restrictions	1,154,913	992,548
<b>TOTAL NET ASSETS</b>	<b>3,181,296</b>	<b>3,000,543</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,234,247</b>	<b>\$ 3,048,093</b>

See accompanying notes.

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2019**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>SUPPORT:</b>			
Contributions	\$ 210,488	\$ 146,380	\$ 356,868
 <b>REVENUES:</b>			
Interest income	3,877	-	3,877
Dividend income, net	15,875	11,776	27,651
Gain on sale of investments	23,574	14,522	38,096
Unrealized gain on investments	163,672	103,037	266,709
Marketing income	25,000	-	25,000
Net assets released from restrictions	113,350	( 113,350)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>555,836</u>	<u>162,365</u>	<u>718,201</u>
 <b>EXPENSES:</b>			
Program services	319,219	-	319,219
Management and general	111,581	-	111,581
Fundraising	106,648	-	106,648
<b>TOTAL EXPENSES</b>	<u>537,448</u>	<u>-</u>	<u>537,448</u>
 <b>CHANGE IN NET ASSETS</b>	18,388	162,365	180,753
<b>NET ASSETS</b> , beginning of year	2,007,995	992,548	3,000,543
<b>NET ASSETS</b> , end of year	<u>\$ 2,026,383</u>	<u>\$ 1,154,913</u>	<u>\$ 3,181,296</u>

See accompanying notes.

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2018**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>SUPPORT:</b>			
Contributions	\$ 283,039	\$ 51,264	\$ 334,303
 <b>REVENUES:</b>			
Interest income	4,395	-	4,395
Dividend income, net	20,784	14,710	35,494
Gain on sale of investments	15,191	33,757	48,948
Unrealized loss on investments	( 91,746)	( 110,204)	( 201,950)
Marketing income	25,000	-	25,000
In-kind contributions	2,440	-	2,440
Net assets released from restrictions	48,747	( 48,747)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>307,850</u>	<u>( 59,220)</u>	<u>248,630</u>
 <b>EXPENSES:</b>			
Program services	146,346	-	146,346
Management and general	147,788	-	147,788
Fundraising	117,515	-	117,515
<b>TOTAL EXPENSES</b>	<u>411,649</u>	<u>-</u>	<u>411,649</u>
 <b>CHANGE IN NET ASSETS</b>	 ( 103,799)	 ( 59,220)	 ( 163,019)
 <b>NET ASSETS, beginning of year</b>	 <u>2,111,794</u>	 <u>1,051,768</u>	 <u>3,163,562</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 2,007,995</u></u>	<u><u>\$ 992,548</u></u>	<u><u>\$ 3,000,543</u></u>

See accompanying notes.

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2019**

	Program Services	Management and General	Fundraising	Total
<b>EXPENSES:</b>				
Salaries	\$ 30,952	\$ 49,008	\$ 92,923	\$ 172,883
Employee benefits & taxes	2,282	20,597	6,804	29,683
Professional services	-	28,641	375	29,016
Insurance	-	2,479	-	2,479
Dues, meeting fees, and subscriptions	-	1,228	-	1,228
Printing and design	403	1,915	943	3,261
Postage	-	869	944	1,813
Supplies & equipment	-	2,000	1,136	3,136
Staff development	-	192	-	192
Bank fees	182	3,172	-	3,354
Events & meetings	78	85	3,523	3,686
Tompkins County Public Library support	285,322	-	-	285,322
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	319,219	110,186	106,648	536,053
Depreciation	-	1,395	-	1,395
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 319,219</b>	<b>\$ 111,581</b>	<b>\$ 106,648</b>	<b>\$ 537,448</b>

See accompanying notes.



**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018**

	Program Services	Management and General	Fundraising	Total
<b>EXPENSES:</b>				
Salaries	\$ 15,501	\$ 57,588	\$ 89,590	\$ 162,679
Employee benefits & taxes	1,131	24,410	6,546	32,087
Professional services	-	30,486	50	30,536
Insurance	-	1,425	-	1,425
Dues, meeting fees, and subscriptions	-	1,000	19	1,019
Campaign expenses	-	5,517	-	5,517
Printing and design	928	5,024	2,449	8,401
Postage	342	1,029	1,290	2,661
Supplies & equipment	-	2,156	1,598	3,754
Staff development	-	3,178	-	3,178
Bank fees	-	3,761	-	3,761
Events & meetings	-	158	6,348	6,506
Uncollectable pledges	-	10,661	9,625	20,286
In-kind materials and services	2,440	-	-	2,440
Tompkins County Public Library support	126,004	-	-	126,004
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	146,346	146,393	117,515	410,254
Depreciation	-	1,395	-	1,395
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 146,346</b>	<b>\$ 147,788</b>	<b>\$ 117,515</b>	<b>\$ 411,649</b>

See accompanying notes.

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31,**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 180,753	\$ ( 163,019)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Gain on sale of investments	( 38,096)	( 48,948)
Unrealized (gain) loss on investments	( 266,709)	201,950
Depreciation expense	1,395	1,395
(Increase) decrease in assets:		
Due from Tompkins County Public Library	-	3,487
Unconditional promises to give	( 67,900)	67,591
Prepaid expenses	( 4,813)	-
Increase (decrease) in liabilities:		
Due to Tompkins County Public Library	11,215	9,011
Accounts payable and accrued liabilities	( 5,814)	2,577
Total adjustments	( 370,722)	237,063
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	( 189,969)	74,044
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	1,048,042	478,026
Purchase of investments	( 795,138)	( 472,323)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	252,904	5,703
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	62,935	79,747
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	929,955	850,208
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 992,890	\$ 929,955
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
<b>CASH PAID DURING THE YEAR FOR:</b>		
Interest	\$ -	\$ -
Taxes	-	-

See accompanying notes.

**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Organization

Tompkins County Public Library Foundation, Inc. (the Foundation), reported as a component of Tompkins County Public Library, located in Ithaca, New York, has been established to provide support for Tompkins County Public Library (TCPL). This support includes financial support from annual fundraising campaigns and other sources, including other foundations, businesses and organizations.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, a board-designated endowment. Net assets with donor restrictions are 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, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Foundation's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

The Foundation's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the Foundation's donor-restricted endowment funds that the Foundation is committed to maintaining in perpetuity are classified in net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

### Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution under Section 170(b)(1)(A) and has been classified as a foundation that is not a private foundation under Section 509(a)(2).

### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

### Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities and Changes in Net Assets.

### Furniture and Equipment

The Foundation capitalizes all furniture and equipment in excess of \$2,500. Purchased furniture and equipment are carried at cost. Donated furniture and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

### Estimates and Assumptions

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 estimates.

### Contributions

The Foundation accounts for contributions in accordance with the recommendations of the FASB ASC 958. In accordance with FASB ASC 958, contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the

restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

#### Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers provide fundraising services throughout the year that are not recognized as contributions in the financial statements, as the recognition criteria under FASB ASC 958 were not met.

#### Revenues from Contracts with Customers

On January 1, 2019, the Foundation adopted, on a modified retrospective basis, FASB's Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which create a single framework for recognizing revenue from contracts with customers. Under ASC 606, the Foundation recognizes revenue as it satisfies a performance obligation by transferring control of publicity and marketing services to the Tompkins County Public Library. This revenue is reported as marketing income in the Statements of Activities and Changes in Net Assets and reflects the consideration to which the Foundation expects to be entitled in exchange for those services. The Foundation does not recognize revenue in cases where collectability is not probable and defers the recognition until collection becomes probable or when payment is received.

The Foundation has elected to apply the practical expedient to not adjust for the effects of a significant financing component as the period between the time of service and the time of payment is less than one year.

#### Statements of Functional Expenses

The statements of functional expenses show a breakdown by categories of program services, management and general, and fundraising. Program services include the activities and funds expended to assist Tompkins County Public Library in fulfilling its mission. Management and general activities include general oversight, business management, general record keeping, budgeting, finance and other management and administrative activities. Fundraising activities include publicizing and conducting fundraising campaigns, maintaining donor mailing lists, conducting special fundraising events, and preparing and distributing activities involved in solicitation of contributions from individuals, foundations, government agencies, etc.

### **B. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS**

As discussed in Note A, on January 1, 2019, the Foundation adopted ASC 606 using the modified retrospective method as applied to customer contracts that were not completed

as of January 1, 2019. As a result, financial information for reporting periods beginning on or after January 1, 2019, is presented in accordance with ASC 606. Comparative financial information for reporting periods beginning prior to January 1, 2019, has not been adjusted and continues to be reported in accordance with the Foundation's revenue recognition policies prior to the adoption of ASC 606. The Foundation did not record a cumulative adjustment related to the adoption of ASC 606 as the effects of the adoption were not significant.

Also, on January 1, 2019, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The update also provides additional guidance about how to determine whether a contribution is conditional. The amendments within this update should be applied on a modified prospective basis. Management has evaluated the impact of this update and has determined that no changes to its current revenue recognition policies and procedures are necessary. Consequently, there is no impact on the current year financial statement line items presented.

Additionally, on January 1, 2019, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10) – Recognition and Measurement of Financial Assets and Financial Liabilities*. The standard is intended to improve the recognition, measurement, presentation and disclosure of financial instruments and requires accounting for certain equity investments and financial liabilities under the fair value option with changes in fair value recognized in net assets. The amendments within this update should be applied on a prospective basis. Management has evaluated the impact of this update and has determined that no changes to its current investment reporting procedures are necessary. Consequently, there is no impact on the current year financial statement line items presented.

#### **C. RESTRICTED CASH**

Noncurrent restricted cash and cash equivalents consist of cash and cash equivalents in investment accounts of \$135,478 and \$36,913 at December 31, 2019 and 2018, respectively.

#### **D. CONCENTRATION OF CREDIT RISK**

The Foundation maintains its cash balances in a local financial institution. From time to time, the Foundation may have bank deposits in excess of the Federal Deposit Insurance Corporation insurance limits.

Investments, which consist of money funds, stock funds and bond funds, are not insured by the Federal Deposit Insurance Corporation and involve investment risk, including possible loss of principal.

At December 31, 2019 and 2018, the Foundation had uninsured cash balances in investment accounts of \$135,478 and \$36,913, respectively.

## E. INVESTMENTS

Investments, stated at fair value, consist of mutual funds and securities as follows at December 31,

	2019		
	Cost	Fair Value	Unrealized Appreciation
Mutual funds and securities	\$ 1,807,394	\$ 2,067,853	\$ 260,459

  

	2018		
	Cost	Fair Value	Unrealized Depreciation
Mutual funds and securities	\$ 2,022,091	\$ 2,015,952	\$ ( 6,139)

### Market Risk

Future changes in market prices may make a financial instrument less valuable. Ownership interest is subject to the risk of loss from a decrease in value due to interest rate fluctuations that may result in a decline that is other than temporary.

Investment returns are as follows for the years ended December 31,

	2019	2018
Interest	\$ 3,877	\$ 4,395
Dividends, net	27,651	35,494
Realized gain on sale of investments	38,096	48,948
Unrealized gain (loss) on fair value	266,709	( 201,950)
Total	<u>\$ 336,333</u>	<u>\$ ( 113,113)</u>

## F. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework 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 under FASB ASC 820 are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets 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 derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (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. Unconditional promises to give that will be paid in more than one year are measured in the aggregate using present value techniques that consider the promised cash flows.

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.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value at December 31,

	2019			
	Level 1	Level 2	Level 3	Total
<b>ASSETS:</b>				
Fixed income funds	\$ 639,231	\$ -	\$ -	\$ 639,231
Domestic equity mutual funds	219,110	-	-	219,110
Domestic closed end equity mutual funds	873,827	-	-	873,827
International equity mutual funds	239,157	-	-	239,157
International closed end equity mutual funds	96,528	-	-	96,528
Unconditional promises to give	-	-	161,950	161,950
<b>TOTAL ASSETS AT FAIR VALUE</b>	<u>\$ 2,067,853</u>	<u>\$ -</u>	<u>\$ 161,950</u>	<u>\$ 2,229,803</u>

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

Unconditional promises to give:	
January 1, 2019	\$ 94,050
New pledges received	103,790
Collections	( 35,890)
December 31, 2019	<u>\$ 161,950</u>



	2018			
<b>ASSETS:</b>	Level 1	Level 2	Level 3	Total
Fixed income funds	\$ 611,803	\$ -	\$ -	\$ 611,803
Domestic equity mutual funds	873,500	-	-	873,500
Domestic closed end mutual funds	155,791	-	-	155,791
International equity mutual funds	149,934	-	-	149,934
International closed end equity mutual funds	224,924	-	-	224,924
Unconditional promises to give	-	-	94,050	94,050
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 2,015,952</b>	<b>\$ -</b>	<b>\$ 94,050</b>	<b>\$ 2,110,002</b>

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

Unconditional promises to give:	
January 1, 2019	\$ 164,536
New pledges received	32,250
Collections	( 102,736)
December 31, 2019	<u>\$ 94,050</u>

#### G. PROMISES TO GIVE

Unconditional promises to give at December 31 consist of funds committed by various donors. These funds are expected to be received as follows:

	2019	2018
Receivable less than one year, net of allowance	\$ 101,950	\$ 94,050
Receivable in one to five years	60,000	-
Total unconditional promises to give	<u>161,950</u>	<u>94,050</u>
Less:		
Discount to net present value	<u>-</u>	<u>-</u>
Net unconditional promises to give	161,950	94,050
Less:		
Receivable in less than one year, net of allowance	<u>101,950</u>	<u>94,050</u>
Long-term unconditional promises to give	<u>\$ 60,000</u>	<u>\$ -</u>

## H. ENDOWMENT

In August 2008, FASB Staff Position FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the UPMIFA (Uniform Prudent Management of Institutional Funds Act of 2006)*, and *Enhanced Disclosures for All Endowment Funds* was issued.

### Interpretation of Relevant Law

In accordance with the New York Prudent Management of Institutional Funds Act of 2010, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the funds
2. Purposes of the Foundation and the donor-restricted endowment funds
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from income and appreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

### Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level required to remain as a fund of perpetual duration.

### Return Objectives and Risk Parameters

The Foundation's Board of Directors has adopted an investment and spending policy for endowment assets which has as its objective to provide on-going program support, while protecting the endowment against inflation. The objective of the Foundation is to maximize total return (interest and dividend income, plus capital appreciation, minus investment fees), by utilizing a diversified portfolio to minimize overall risk. Annually, a portion of the total investment return will be spent and the remainder will be reinvested with the goal of preserving and growing the endowment over time. It is the Finance Committee's responsibility to monitor endowment performance.

### Strategies Employed for Achieving Objectives

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

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy to forecast spending annually at 4-5% of the 19-quarter average (last quarter ending September 30, 2019) of the endowment's total asset value, with the understanding that this spending rate plus inflation will not normally exceed total real return (return net of inflation) from investments. For the year ended December 31, 2019, a 5% spending rate was used.

Investment gains/losses are considered temporary, and the Foundation's Board of Directors is actively monitoring investment activities so as to continue responding in a prudent fashion.

The Foundation has 23 individual donor-restricted and two Board-designated endowment funds. The net assets associated with them have been classified as follows:

Assets with donor restrictions - the original value of gifts donated to the permanent endowment by explicit donor stipulation and unappropriated related investment gains.

Board Designated - Board designated additions to endowment funds and unappropriated related investment gains.

The following table sets forth the Foundation's endowment net asset composition by type of fund as of December 31,

	2019		
	Net assets without donor restrictions	Net assets with donor restrictions	Total
Endowment net assets, January 1	\$ 44,843	\$ 896,265	\$ 941,108
Investment income	6,854	128,860	135,714
Support	-	10,101	10,101
Amounts appropriated for expenditures	( 2,084)	( 42,263)	( 44,347)
Net assets, December 31	<u>\$ 49,613</u>	<u>\$ 992,963</u>	<u>\$ 1,042,576</u>

  

	2018		
	Net assets without donor restrictions	Net assets with donor restrictions	Total
Endowment net assets, January 1	\$ 50,223	\$ 988,029	\$ 1,038,252
Investment income	( 3,318)	( 61,558)	( 64,876)
Support	-	11,001	11,001
Amounts appropriated for expenditures	( 2,062)	( 41,207)	( 43,269)
Net assets, December 31	<u>\$ 44,843</u>	<u>\$ 896,265</u>	<u>\$ 941,108</u>

#### I. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are classified as follows at December 31,

	2019	2018
Board designated	\$ 49,613	\$ 44,843
Undesignated	1,976,770	1,963,152
Total net assets without donor restrictions	<u>\$ 2,026,383</u>	<u>\$ 2,007,995</u>

The Foundation has two types of net assets without donor restrictions: Board designated funds and undesignated funds. The Foundation's policy states funds be added to or subtracted from its endowment, depending on earnings generated from separate investment accounts and annual appropriations for expenditures.

**J. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purpose or periods:

	<u>2019</u>	<u>2018</u>
Grants to Tompkins County Public Library	\$ 135,300	\$ 59,933
Promises to give, without donor restrictions but which are unavailable for expenditures until due	26,650	36,350
Endowments	<u>992,963</u>	<u>896,265</u>
Total net assets with donor restrictions	<u>\$ 1,154,913</u>	<u>\$ 992,548</u>

**K. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Foundation's financial assets as of the Statement of Financial Position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions:

	<u>2019</u>	<u>2018</u>
Financial assets	\$ 3,222,693	\$ 3,039,957
Less: those unavailable for general expenditures within one year, due to:		
Promises to give not collectible within one year	60,000	-
Board-designated to maintain as an endowment	49,613	44,843
Donor-restricted to maintain as an endowment	<u>992,963</u>	<u>896,265</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,120,117</u>	<u>\$ 2,098,849</u>

The Foundation manages its liquid resources based on budgeted operating needs, and in typical years seeks to maintain a \$25,000 ceiling on funds in the operating cash account.

**L. RELATED PARTIES**

The sole mission of the Foundation is to raise and steward funds to benefit Tompkins County Public Library.

The Foundation donated \$168,839 and \$56,261 to Tompkins County Public Library for the years ended December 31, 2019 and 2018, respectively. The Foundation also contributed endowment earnings of \$44,347 and \$43,269 and donated \$72,136 and \$26,474 in funds designated for the Library by the original donor. In addition, in-kind contributions of materials of \$0 and \$2,440 were donated to the Library for the years ended December 31, 2019 and 2018, respectively.

**M. FUNDRAISING EXPENSE**

Total fundraising expense for the years ended December 31, 2019 and 2018 was \$106,648 and \$117,515 respectively, or 30% and 35% of the total contribution revenue for the years ended December 31, 2019 and 2018, respectively. The ratio of expenses to amounts raised is computed using actual expenses and related contributions on an accrual basis.

**N. REVENUES FROM CONTRACTS WITH CUSTOMERS**

Disaggregation of Revenue and Significant Judgments

The Foundation recognizes revenues from the publicity and marketing services agreement with TCPL over time because the recipient simultaneously receives and consumes the benefits of the services.

The total amount of revenue recognized over time for the year ended December 31, 2019 was \$25,000.

Performance Obligations

The publicity and marketing services agreement with TCPL consists of promises to provide various program promotion and publicity services and marketing services over the contract period. The promised services are considered a single performance obligation as they have the same pattern of transfer to the customer. The Foundation recognizes revenue ratably over the contract period as control of the services is transferred to the customer. TCPL is billed in quarterly installments payable in the first month of each calendar quarter. The transaction price in the contract is fixed and there are no obligations for returns or refunds.

There were no beginning or ending contract balances from the publicity and marketing services agreement in 2019.

**O. RECLASSIFICATIONS**

Certain amounts in the financial statements have been reclassified to conform to the current year presentation.

**P. SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through August 13, 2020, the date when the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact contributions and investment income. Other financial impact could occur, though such potential impact is unknown at this time.