

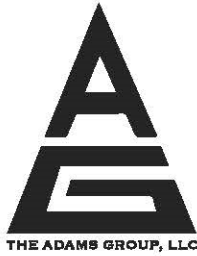
**DELTA GAMMA ANCHOR CENTER
FOR BLIND CHILDREN**

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Delta Gamma Anchor Center for Blind Children
Denver, Colorado

We have audited the accompanying financial statements of Delta Gamma Anchor Center for Blind Children (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and 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.

Auditors' 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 of 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 auditors' 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 Delta Gamma Anchor Center for Blind Children, as of June 30, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, as of June 30, 2020, Delta Gamma Anchor Center for Blind Children adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities Topic 958*, which clarifies accounting guidance for contributions. Our opinion is not modified with respect to this matter.

The Adams Group, LLC

September 23, 2020
Denver, Colorado

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENTS OF FINANCIAL POSITION

June 30,	2020	2019
<u>Assets</u>		
Cash and cash equivalents	\$ 3,055,723	\$ 2,249,436
Investments	5,341,639	5,364,130
Prepaid expenses	47,001	78,417
Promises to give	663,119	1,129,010
Property and equipment, net	4,556,577	4,806,461
Cash held for long-term purposes	107,810	70,643
	<u>107,810</u>	<u>70,643</u>
Total Assets	<u>\$ 13,771,869</u>	<u>\$ 13,698,097</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	89,134	105,028
Paycheck Protection Program liability	300,800	0
Deferred revenue	83,519	25,410
Total liabilities	<u>473,453</u>	<u>130,438</u>
<u>Net Assets</u>		
Without donor restriction		
Undesignated	5,990,938	8,498,315
Board designated	4,528,661	2,267,570
Total net assets without donor restriction	<u>10,519,599</u>	<u>10,765,885</u>
With donor restriction		
	<u>2,778,817</u>	<u>2,801,774</u>
Total net assets	<u>13,298,416</u>	<u>13,567,659</u>
Total Liabilities and Net Assets	<u>\$ 13,771,869</u>	<u>\$ 13,698,097</u>

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF ACTIVITIES

For the Year Ended June 30,

2020

	Without Donor Restriction	With Donor Restriction	Total
<u>Support, Revenue, and Other Gains</u>			
Contributions	\$ 1,287,674	184,257	\$ 1,471,931
Program fees	110,071	0	110,071
Federal awards	4,000	0	4,000
Special events, net	365,413	0	365,413
Investment income	101,018	85,487	186,505
Other	4,071	0	4,071
Net assets released from restrictions	<u>292,701</u>	<u>(292,701)</u>	<u>0</u>
Total support, revenue, and other gains	<u>2,164,948</u>	<u>(22,957)</u>	<u>2,141,991</u>
<u>Expenses</u>			
Program services			
School	<u>1,897,735</u>		<u>1,897,735</u>
Supporting services			
General and administrative	137,917		137,917
Fundraising	<u>375,582</u>		<u>375,582</u>
Total supporting services	<u>513,499</u>		<u>513,499</u>
Total expenses	<u>2,411,234</u>		<u>2,411,234</u>
Changes in net assets	(246,286)	(22,957)	(269,243)
Net assets, beginning of year	<u>10,765,885</u>	<u>2,801,774</u>	<u>13,567,659</u>
Net assets, end of year	<u>\$ 10,519,599</u>	<u>\$ 2,778,817</u>	<u>\$ 13,298,416</u>

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF ACTIVITIES

For the Year Ended June 30,

2019

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<u>Support, Revenue, and Other Gains</u>			
Contributions	\$ 3,572,302	\$ 86,576	\$ 3,658,878
Program fees	85,272	0	85,272
Federal awards	4,250	0	4,250
Special events, net	520,211	0	520,211
Investment income	148,293	152,920	301,213
Other	311	0	311
Net assets released from restrictions	<u>246,208</u>	<u>(246,208)</u>	<u>0</u>
Total support, revenue, and other gains	<u>4,576,847</u>	<u>(6,712)</u>	<u>4,570,135</u>
<u>Expenses</u>			
Program services			
School	<u>1,803,794</u>		<u>1,803,794</u>
Supporting services			
General and administrative	128,517		128,517
Fundraising	<u>266,464</u>		<u>266,464</u>
Total supporting services	<u>394,981</u>		<u>394,981</u>
Total expenses	<u>2,198,775</u>		<u>2,198,775</u>
Changes in net assets	2,378,072	(6,712)	2,371,360
Net assets, beginning of year	<u>8,387,813</u>	<u>2,808,486</u>	<u>11,196,299</u>
Net assets, end of year	<u>\$ 10,765,885</u>	<u>\$ 2,801,774</u>	<u>\$ 13,567,659</u>

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30,

2020

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expense</u>
	<u>School</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and wages	\$ 1,125,447	\$ 67,389	\$ 278,529	\$ 345,918	\$ 1,471,365
Employee benefits	92,778	5,273	22,150	27,423	120,201
Payroll taxes	82,409	4,934	20,395	25,329	107,738
Total compensation	<u>1,300,634</u>	<u>77,596</u>	<u>321,074</u>	<u>398,670</u>	<u>1,699,304</u>
Professional fees	52,502	10,649	5,451	16,100	68,602
Supplies	87,156	1,838	238,366	240,204	327,360
Telephone	8,625	307	1,531	1,838	10,463
Postage	4,327	154	805	959	5,286
Occupancy	171,440	11,489	73,721	85,210	256,650
Equipment rental and maintenance	8,078	287	1,434	1,721	9,799
Printing	10,612	377	1,883	2,260	12,872
Dues and subscriptions	3,357	0	0	0	3,357
Travel and conventions	6,238	0	0	0	6,238
Miscellaneous	9,645	27,635	18,446	46,081	55,726
Depreciation	235,121	7,585	10,112	17,697	252,818
Total expenses	<u>1,897,735</u>	<u>137,917</u>	<u>672,823</u>	<u>810,740</u>	<u>2,708,475</u>
Less: special events netted with revenues	<u>0</u>	<u>0</u>	<u>(297,241)</u>	<u>(297,241)</u>	<u>(297,241)</u>
Total expenses on statement of activities	<u>\$ 1,897,735</u>	<u>\$ 137,917</u>	<u>\$ 375,582</u>	<u>\$ 513,499</u>	<u>\$ 2,411,234</u>

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30,

2019

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expense</u>
	<u>School</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and wages	\$ 1,058,207	\$ 51,640	\$ 206,848	\$ 258,488	\$ 1,316,695
Employee benefits	82,700	3,878	12,150	16,028	98,728
Payroll taxes	79,782	3,777	11,558	15,335	95,117
Total compensation	<u>1,220,689</u>	<u>59,295</u>	<u>230,556</u>	<u>289,851</u>	<u>1,510,540</u>
Professional fees	49,547	16,441	2,112	18,553	68,100
Supplies	36,705	376	228,793	229,169	265,874
Telephone	8,679	411	1,257	1,668	10,347
Postage	4,492	215	852	1,067	5,559
Occupancy	170,734	11,484	91,505	102,989	273,723
Equipment rental and maintenance	31,469	1,490	32,883	34,373	65,842
Printing	11,355	537	1,645	2,182	13,537
Dues and subscriptions	2,556	6	6	12	2,568
Travel and conventions	18,225	0	0	0	18,225
Miscellaneous	10,710	30,564	31,166	61,730	72,440
Depreciation	238,633	7,698	10,264	17,962	256,595
Total expenses	<u>1,803,794</u>	<u>128,517</u>	<u>631,039</u>	<u>759,556</u>	<u>2,563,350</u>
Less: special events netted with revenues	<u>0</u>	<u>0</u>	<u>(364,575)</u>	<u>(364,575)</u>	<u>(364,575)</u>
Total expenses on statement of activities	<u>\$ 1,803,794</u>	<u>\$ 128,517</u>	<u>\$ 266,464</u>	<u>\$ 394,981</u>	<u>\$ 2,198,775</u>

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENTS OF CASH FLOWS

For the Years Ended June 30,	2020	2019
<u>Cash flows from operating activities:</u>		
Cash received from contributions	\$ 1,931,182	\$ 2,994,903
Cash received from federal awards	4,000	4,250
Other cash received	588,258	869,089
Interest and dividends received	146,168	137,638
Cash paid to employees and suppliers	<u>(2,186,848)</u>	<u>(2,141,817)</u>
Net cash provided by operating activities	<u>482,760</u>	<u>1,864,063</u>
 <u>Cash flows from investing activities:</u>		
Proceeds from sales and investments	738,853	1,618,520
Purchase of investments	(676,025)	(2,181,786)
Proceeds from the sale of equipment	0	2,766
Purchase of property and equipment	(2,934)	(52,698)
Cash held for long-term purposes	<u>(37,167)</u>	<u>126,865</u>
Net cash provided by (used for) investing activities	<u>22,727</u>	<u>(486,333)</u>
 <u>Cash flows from financing activities:</u>		
Proceeds from Paycheck Protection Program loan	<u>300,800</u>	<u>0</u>
Net increase in cash and cash equivalents	806,287	1,377,730
Cash and cash equivalents at beginning of year	<u>2,249,436</u>	<u>871,706</u>
Cash and cash equivalents at end of year	<u>\$ 3,055,723</u>	<u>\$ 2,249,436</u>
 <u>Reconciliation of changes in net assets to net cash provided by operating activities:</u>		
Change in net assets	\$ (269,243)	\$ 2,371,360
Adjustments		
Depreciation	252,818	256,595
Loss on sale of fixed assets	0	5,037
Unrealized (gain) loss on investments	20,567	(82,860)
Realized (gain) on investments	(60,904)	(80,715)
Change in operating assets and liabilities		
Promises to give	465,891	(609,846)
Prepaid expenses	31,416	(31,696)
Accounts payable and accrued expenses	(15,894)	52,196
Deferred revenue	<u>58,109</u>	<u>(16,008)</u>
Net cash provided by operating activities	<u>\$ 482,760</u>	<u>\$ 1,864,063</u>

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Delta Gamma Anchor Center for Blind Children (the Center) is a nonprofit corporation whose mission is to teach visually impaired infants, young children and their families, providing hope and a nurturing environment where children reach their highest potential.

The Center is exempt from income tax under section 501(c)(3) of the United States Internal Revenue Code and comparable state law, and contributions to it are deductible within the limitations prescribed by the Code. The Center has been classified as a publicly supported organization which is not a private foundation under section 509(a) of the Code. The Center did not have any material unrelated business income tax liability or significant uncertain income tax positions for the years ended June 30, 2019 and 2018. The Center's is generally no longer subject to examination by the Internal Revenue Service for years before June 30, 2017.

Recently Adopted Accounting Pronouncement

The Center early adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* which provides enhanced guidance to assist in evaluating whether transactions should be accounted for as contributions or exchange transactions and whether the contribution is conditional. The adoption did not have a material impact to the financial statements and the Center's revenue recognition practices were substantially unchanged as a result of adopting this ASU.

Use of Estimates

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.

Classes of Net Assets

The financial statements report amounts separately by classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions, or the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Center.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net assets with donor restrictions (continued):

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable State law.

Contributions

Contributions, a principal source of revenue, are recorded as net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when cash or ownership of donated assets is unconditionally promised to the Center.

Donor restricted contributions whose restrictions are met in the same reporting period are reported as contributions without restriction in the statement of activities.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks to assist the Center including services in the Center's programs and special events. No amounts have been reflected in the financial statements as these services do not meet the criteria for recognition under generally accepted accounting principles.

Federal Awards

Revenue is recognized when expenses are incurred on the projects.

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited on several bases and estimates. Salaries and benefits are allocated based on time and effort. Occupancy costs are generally based on square footage. Other expenses, such as telephone, are generally allocated based on headcount. Although the methods used of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Property, Equipment and Depreciation

Assets over \$5,000 are recorded at cost if purchased, or if donated at their fair value at the time of the donation. Depreciation of property and equipment is provided over the estimated useful life of the respective asset on a straight-line basis.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment and Depreciation (continued)

The Center reports gifts of land, buildings, and equipment as support without donor restriction unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Investments

Investments are carried at fair value. Donated investments are initially recorded at fair value on the date of donation. Realized and unrealized gains and losses are reflected in the statement of activities.

Advertising Costs

The costs of promotion and advertising are expensed as incurred.

Other Matters

For the purposes of the statement of cash flows, the Center considers investments in all highly liquid debt instruments with a maturity of three months or less to be cash and cash equivalents. The Center periodically has cash accounts that exceed the federally insured limit. They are selective with regard to the choice of financial institutions with which they deposit funds.

Upcoming Accounting Pronouncements not yet Adopted

The Financial Accounting Standards Board issued ASU No. 2020-07: *Presentation and Disclosure by Not-for-Profit Entities for Contributed nonfinancial Assets*. This ASU requires that a nonprofit present contributed nonfinancial assets separately from cash contributions as well as enhanced disclosures, including valuation techniques, policy regarding monetizing, and other qualitative information. The amendments in this ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, with early adoption permitted.

Subsequent Events

Management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Center's financial statements were available to be issued on September 23, 2020, and this is the date through which subsequent events were evaluated.

Reclassifications

Certain reclassifications have been made to prior year information to conform with current year presentation.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Center’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 3,055,723
Certificate of deposit	516,795
Promises to give	163,119
Board designated investments	2,278,629
Austin Glen endowment	1,373,089
Greenleaf Trust endowment	1,256,437
Rose Community endowment	10,000
	<u>8,653,792</u>
Less: donor restricted net assets	(2,778,817)
Less: board designated net assets	<u>(4,528,661)</u>
Available for general expenditure	<u>\$ 1,346,314</u>

As part of the Center’s liquidity management, it structures its financial assets to be available to meet 90 days of budgeted cash operating expenses. Excess cash is invested in short-term investments, including money market accounts and certificates of deposits.

In addition to the resources available above, the Center has a quasi-endowment of \$4,528,661 and \$2,267,570 as of June 30, 2020 and 2019. Although the Center does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary. The Center’s endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

NOTE 3 – INVESTMENTS

	2020	2019
Carried at fair value (based on quoted market prices):		
Equities	\$ 3,417,446	\$ 3,420,198
Fixed income	1,324,807	1,367,843
Real estate funds	58,094	71,430
Other	24,497	0
	<u>\$ 4,824,844</u>	<u>\$ 4,859,471</u>
Certificate of deposit	<u>516,795</u>	<u>504,659</u>
Total investments	<u>\$ 5,341,639</u>	<u>\$ 5,364,130</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – INVESTMENTS (CONTINUED)

Composition of investment return:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 146,168	\$ 137,638
Unrealized gain (loss) on investments	(20,567)	82,860
Realized gains on investments	<u>60,904</u>	<u>80,715</u>
Total investment income	<u>\$ 186,505</u>	<u>\$ 301,213</u>

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Center's investments are valued using Level 1, Quoted Prices in Active Markets for Identical Assets input. Certificates of deposit are carried at cost, which approximates fair value and is a Level 2, Observable Information for Similar Items in Active or Inactive Markets input. The Center reviews its holdings on a regular basis to determine if any investment has experienced an other-than-temporary decline in fair value.

NOTE 4 – PROMISES TO GIVE

Promises to give are recorded at the net present value, determined using a discount rate commensurate with the IRS Applicable Federal Rate on the date of the promise, as receivables in the year made. Donor restricted promises to give are reported as additions to the appropriate temporarily restricted net assets. Ninety-seven percent of promises to give at June 30, 2020 and 2019 were from two trusts. The promises to give from various trusts and individuals were as follows:

	<u>2020</u>	<u>2019</u>
In less than one year	\$ 163,119	\$ 629,010
In one to five years	<u>500,000</u>	<u>500,000</u>
Total promises to give	<u>\$ 663,119</u>	<u>\$ 1,129,010</u>

Management believes all promises to give will be received.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – PROPERTY AND EQUIPMENT

	<u>2020</u>	<u>2019</u>
Building	\$ 6,561,882	\$ 6,561,882
Furniture	195,684	195,684
Equipment	300,255	297,321
Auto	23,000	23,000
Logo	6,826	6,826
Artwork	18,856	18,856
	<u>7,106,503</u>	<u>7,103,569</u>
Accumulated depreciation	<u>(3,233,807)</u>	<u>(2,980,989)</u>
	3,872,696	4,122,580
Land	<u>683,881</u>	<u>683,881</u>
	<u>\$ 4,556,577</u>	<u>\$ 4,806,461</u>

Depreciation expense was \$252,818 and \$256,595 for the years ended June 30, 2020 and 2019.

NOTE 6 – DEFERRED REVENUE

The Center received sponsorships and ticket revenue as well as prepaid tuition totaling \$83,519 and \$25,410, which was recorded as deferred revenue as of June 30, 2020 and 2019 primarily for Sunset in the Country and third-party events. The revenue and associated expense will be recorded as a special event when the event and school takes place in the subsequent period.

NOTE 7 – RESTRICTIONS ON NET ASSETS

Net assets are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Net assets without donor restriction:		
Undesignated	\$ 5,990,938	\$ 8,498,315
Designated for quasi-endowments	<u>4,528,661</u>	<u>2,267,570</u>
Total net assets without donor restriction	<u>\$ 10,519,599</u>	<u>\$ 10,765,885</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – RESTRICTIONS ON NET ASSETS (CONTINUED)

	<u>2020</u>	<u>2019</u>
Net assets with donor restriction:		
Parent Compass	\$ 1,804	\$ 1,746
Schlessman endowment	65,487	65,487
Minning endowment	5,000	5,000
Mumey endowment	50,000	50,000
Hynd endowment	17,000	17,000
Austin Glen endowment	1,373,089	1,391,355
Greenleaf Trust endowment	1,256,437	1,271,186
Rose Community endowment	<u>10,000</u>	<u>0</u>
Total net assets with donor restriction	<u>\$ 2,778,817</u>	<u>\$ 2,801,774</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	<u>2020</u>	<u>2019</u>
Building maintenance	\$ 47,398	\$ 88,067
Digital literacy	18,000	18,000
Family support	9,300	0
Operations	71,103	71,440
Parent Compass	0	533
Supplies	1,000	3,668
Therapy	<u>145,900</u>	<u>64,500</u>
Total net assets released from restriction	<u>\$ 292,701</u>	<u>\$ 246,208</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SPECIAL EVENTS

	<u>2020</u>	<u>2019</u>
Revenues		
Sunset in the Country 2020	\$ 35	\$ 0
Sunset in the Country 2019	600,856	0
Sunset in the Country 2018	0	657,722
Foresight Golf Classic 2020	0	0
Foresight Golf Classic 2019	1,100	112,392
Dancing With The Anchors 2019	0	65,104
Visions of Love 2020	60,663	0
Visions of Love 2019	0	49,568
Total revenues	<u>662,654</u>	<u>884,786</u>
Expenses		
Sunset in the Country 2020	346	0
Sunset in the Country 2019	260,249	0
Sunset in the Country 2018	0	237,718
Foresight Golf Classic 2020	607	0
Foresight Golf Classic 2019	34	76,959
Dancing With The Anchors 2019	0	21,041
Visions of Love 2020	36,005	0
Visions of Love 2019	0	28,857
Total expenses	<u>297,241</u>	<u>364,575</u>
Net Special Event Revenue	<u>\$ 365,413</u>	<u>\$ 520,211</u>

NOTE 9 – ENDOWMENTS

The Center's endowments consist of approximately four individual funds established for a variety of purposes. Two endowments are considered donor-restricted endowment funds and two are considered a board-designated endowment fund. As required by the generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Center has interpreted the Colorado Prudent Management of Institutional Funds Act (CPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restriction in perpetuity and board designated net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – ENDOWMENTS (CONTINUED)

The remaining portion of the donor restricted endowment fund that is not classified in net assets with donor restriction in perpetuity or board designated net assets is classified as net assets with donor restriction temporarily until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by CPMIFA.

In accordance with CPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor restricted and board designated endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Center and the donor restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Center.
7. The investment policies of the Center.
8. One of the Center's donor restricted endowments has a perpetual restriction that requires an affirmative vote of at least two-thirds of the entire Board in order to withdraw amounts greater than the amount calculated under the endowment's Spending Policy. The Center held \$2,777,013 and \$2,800,028 in donor restricted endowment net assets as of June 30, 2020 and 2019 and \$4,528,661 and \$2,267,570 in board designated endowment net asset as of June 30, 2020 and 2019.

Changes in endowment net assets for the year ended June 30, 2020:

	<u>Board Designated</u>	<u>Donor Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$2,267,570	\$2,800,028	\$5,067,598
Contributions	2,348,581	10,000	2,358,581
Investment income	60,364	85,487	145,851
Net assets released from restrictions	<u>(147,854)</u>	<u>(118,502)</u>	<u>(266,356)</u>
Endowment net assets, end of year	<u>\$4,528,661</u>	<u>\$2,777,013</u>	<u>\$7,305,674</u>

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2019:

	Board Designated	Donor Restricted	Total
Endowment net assets, beginning of year	\$2,165,663	\$2,806,740	\$4,972,403
Contributions	278,389	0	0
Investment income	114,992	152,795	267,787
Net assets released from restrictions	<u>(291,474)</u>	<u>(159,507)</u>	<u>(450,981)</u>
Endowment net assets, end of year	<u>\$2,267,570</u>	<u>\$2,800,028</u>	<u>\$4,789,209</u>

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Center entered into operating leases for copiers in that expire in at various times between and October 2020 and July 2025. Lease expense for the years ended June 30, 2020 and 2019 was \$7,934 and \$7,673.

Future minimum lease payments for the succeeding years ending June 30:

2021	\$	8,432
2022		6,720
2023		6,720
2024		6,720
2025		3,920

Commitment

The Center has an annual Sunset Event, Sunset in the Country, for which the Center has signed a contract with a caterer to provide services for the event and with a production company for a video production for the event. The contracts contain various penalties for failure to hold the event. The Center has not incurred penalties for failure to hold events for the years ended June 30, 2020 and 2019.

Paycheck Protection Program

The Center received \$300,800 pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. PPP provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll and certain other expenses. The loans and accrued interest are forgivable after 24 weeks if the borrower uses the loan proceeds for eligible purposes. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%. The Center intends to use the proceeds for eligible purposes and believes all loan proceeds received will be forgiven.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Global COVID-19 Pandemic

The 2020 outbreak of COVID-19 has been declared a pandemic and has spread to multiple global regions. The impact of this pandemic has been extensive in many aspects of society, which has resulted in significant disruptions to the global economy. In an effort to halt the outbreak of COVID-19, many governments around the world have encouraged or required that people only leave their home for essential tasks and many businesses have announced closures. This may have a negative impact on the Center, the magnitude and duration of which is uncertain.

NOTE 11 – PENSION PLAN

The Center offers a tax deferred annuity 403(b) retirement plan to all eligible employees. The Center provides matching funds of 4% to full time employees with one year of service and 5.6% to full time employees with two or more years of service. Pension expense was \$35,003 and \$28,557 for the years ended June 30, 2020 and 2019.

NOTE 12 – CONCENTRATION IN DONATIONS

There were no donations from an individual donor comprising ten percent or more of total support, revenue, and other gains for the year ended June 30, 2020. For the year ended June 30, 2019, fifty-eight percent of total support, revenue, and other gains were received from one donor. The Center monitors its cash flow and liquidity so that it does not rely on these large donations to perform its exempt purpose.