

OUR FUND FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2021 AND JUNE 30, 2020

OUR FUND FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Our Fund Foundation, Inc.
1201 NE 26th Street, Suite 108
Wilton Manors, FL 33305

Report on the Financial Statements

We have audited the accompanying financial statements of Our Fund Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities, functional expense and cash flows for the two 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 audits 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 Our Fund, Inc. as of June 30, 2021 and 2020 and the changes in its net assets, functional expense and its cash flows for the two years then ended in accordance with accounting principles generally accepted in the United States of America.

Liggett & Webb, P.A.

LIGGETT & WEBB P.A.
Certified Public Accountants
Boynton Beach, Florida
December 15, 2021

OUR FUND, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	As of June 30, 2021	As of June 30, 2020
ASSETS		
Cash and Cash Equivalents	\$ 43,567	\$ 171,608
Investments	21,637,191	17,095,598
Grants and Accounts Receivable	63,653	49,973
Promises to Give	15,000	301,469
Deposits	7,673	7,784
Prepaid Expenses	11,298	14,408
Furniture and Computer Equipment, Net	204,625	220,547
TOTAL ASSETS	\$ 21,983,007	\$ 17,861,387

LIABILITIES AND NET ASSETS

LIABILITIES AND NET ASSETS

Liabilities		
Grants and Accounts Payable	\$ 18,799	\$ 29,893
Accrued Expenses	707	24,238
Funds Held for Benefit of Agencies	837,240	734,002
Loan Payable	-	10,347
Total Liabilities	856,746	798,480
Net Assets		
Without Donor Restrictions	21,126,261	16,812,393
With Donor Restrictions	-	250,514
Total Net Assets	21,126,261	17,062,907
TOTAL LIABILITIES AND NET ASSETS	\$ 21,983,007	\$ 17,861,387

See accompanying notes to financial statements.

OUR FUND, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	For the year ended June 30, 2021			For the year ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	\$ 4,838,943	\$ -	\$ 4,838,943	\$ 6,878,530	\$ 86,171	\$ 6,964,701
Dividend and Interest	294,994	-	294,994	318,930	-	318,930
Realized Gains	1,319,234	-	1,319,234	206,337	-	206,337
Unrealized Gains (Losses)	1,655,271	-	1,655,271	(190,685)	-	(190,685)
Net assets released from restriction						
Satisfaction of purpose restrictions	250,514	(250,514)	-	2,449	(2,449)	-
Total Revenues	8,358,956	(250,514)	8,108,442	7,215,561	83,722	7,299,283
Grants and Expenses						
Contigo	1,076,763	-	1,076,763	395,382	-	395,382
Other Grants and Programs	2,691,449	-	2,691,449	2,367,602	-	2,367,602
Administrative	130,007	-	130,007	135,680	-	135,680
Donor Development	146,869	-	146,869	141,691	-	141,691
Total Grants and Expenses	4,045,088	-	4,045,088	3,040,355	-	3,040,355
Change in Net Assets						
	4,313,868	(250,514)	4,063,354	4,175,206	83,722	4,258,928
Net Assets, Beginning of year	16,812,393	250,514	17,062,907	12,637,187	166,792	12,803,979
Net Assets, End of year	\$ 21,126,261	\$ -	\$ 21,126,261	\$ 16,812,393	\$ 250,514	\$ 17,062,907

See accompanying notes to financial statements.

OUR FUND, INC.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2021

	Contigo	Others Grants and Programs	Administrative	Donor Development	Total
Salaries	\$ 64,969	\$ 185,374	\$ 69,748	\$ 101,553	\$ 421,644
Employee Benefits	4,955	18,281	7,024	7,724	37,984
Payroll Taxes	4,984	13,924	5,272	7,449	31,629
Total Salaries and Benefits	74,908	217,579	82,044	116,726	491,257
Grants	987,472	2,002,001	-	-	2,989,473
Fund Expenses	-	223,711	-	-	223,711
Occupancy Costs	-	36,903	6,397	5,904	49,204
Investment Expenses	-	46,568	-	-	46,568
Consulting	13,050	19,400	-	-	33,900
Legal and Professional	-	24,307	-	1,450	34,463
Depreciation	-	23,299	4,039	3,728	31,066
IT Supplies & Maintenance	890	22,630	3,923	3,621	31,064
Grant Program Expenses	-	22,500	2,500	-	25,000
Administrative	-	-	21,720	-	21,720
Community Program Expense	-	16,400	-	-	16,400
Educational Programs	-	8,931	-	-	8,931
Accounting & Audit Expenses	-	-	6,300	-	6,300
Marketing Costs	-	4,368	-	1,872	6,240
Office Supplies & Postage	-	4,524	945	327	5,796
Credit Card Processing	-	3,746	649	600	4,995
Local Organization Support	-	3,614	-	401	4,015
Telephone Expense	-	2,774	481	444	3,699
Donor Expense	-	2,707	-	902	3,609
Insurance Expense	-	2,597	450	415	3,462
Non Cap Equipment Expense	-	1,123	195	180	1,498
Dues & Subscriptions	-	971	243	-	1,214
Licenses & Permits	-	528	91	85	704
Miscellaneous	443	123	20	20	606
Travel	-	145	10	38	193
Total Expenses	\$ 1,076,763	\$ 2,691,449	\$ 130,007	\$ 146,869	\$ 4,045,088

See accompanying notes to financial statements.

OUR FUND, INC.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2020

	Contigo	Other Grants and Programs	Administrative	Donor Development	Total
Salaries	\$ 70,875	\$ 174,407	\$ 64,887	\$ 98,010	\$ 408,179
Employee Benefits	5,143	17,691	6,729	7,604	37,167
Payroll Taxes	5,428	13,103	4,906	7,191	30,628
Total Salaries and Benefits	81,446	205,201	76,522	112,805	475,974
Grants	300,911	1,565,790	-	-	1,866,701
Fund Expenses	-	203,809	-	-	203,809
Grant Program Expenses	-	158,636	17,626	-	176,262
Occupancy Costs	-	39,046	6,768	6,247	52,061
Investment Expenses	-	37,478	-	-	37,478
Educational Programs	-	29,999	-	-	29,999
Public Relations	-	19,008	-	9,792	28,800
Consulting	9,900	12,400	-	1,100	23,400
Legal and Professional	-	35,156	-	-	35,156
Administrative	-	-	19,335	-	19,335
IT Supplies & Maintenance	180	12,430	2,155	1,989	16,754
Depreciation	-	12,987	2,251	2,078	17,316
Marketing Costs	-	8,564	-	3,670	12,234
Office Supplies & Postage	-	6,954	2,380	440	9,774
Accounting & Audit Expenses	-	-	6,300	-	6,300
Credit Card Processing	-	3,999	693	640	5,332
Travel	2,676	1,267	84	635	4,662
Telephone Expense	-	3,014	522	482	4,018
Donor Expense	-	2,823	-	941	3,764
Insurance Expense	-	2,709	470	433	3,612
Dues & Subscriptions	-	1,672	418	-	2,090
Community Program Expense	-	1,800	-	-	1,800
Local Organization Support	-	1,412	-	157	1,569
Licenses & Permits	-	562	98	90	750
Conferences & Workshops	-	555	-	139	694
Non Cap Equipment Expense	-	386	67	62	515
Miscellaneous	269	130	23	21	443
Total Expenses	\$ 395,382	\$ 2,367,602	\$ 135,680	\$ 141,691	\$ 3,040,355

See accompanying notes to financial statements.

OUR FUND, INC.
STATEMENTS OF CASH FLOWS

	For the year ended June 30, 2021	For the year ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,063,354	\$ 4,258,928
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Forgiveness of Loan Payable	(10,347)	(66,297)
Depreciation	31,066	17,069
Deposits	111	(836)
Unrealized gains (losses)	(1,655,271)	190,685
Realized gains (losses)	(1,319,234)	(206,337)
Decrease (increase) in operating assets:		
Grants and Accounts Receivable	(13,680)	6,199
Prepaid Expenses	3,110	(2,743)
Promise to Give	286,469	2,462,855
Increase (decrease) in operating liabilities:		
Grants and Accounts Payable	(11,094)	(107,694)
Accrued Expense	(23,531)	15,650
Funds Held for Others	103,238	113,636
Net Cash Provided By Operating Activities	1,454,191	6,681,115
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	2,338,608	2,757,906
Purchase of Investments	(3,905,696)	(9,234,738)
Purchase of Furniture & Equipment	(15,144)	(217,674)
Net Cash Used in Investing Activities	(1,582,232)	(6,694,506)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Loan Payable	-	76,644
Net Cash Provided By Financing Activities	-	76,644
NET INCREASE (DECREASE) IN CASH	(128,041)	63,253
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	171,608	108,335
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 43,567	\$ 171,608
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid for interest	\$ -	\$ -
Cash paid for Income taxes	\$ -	\$ -

See accompanying notes to financial statements.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 – ORGANIZATION AND OPERATIONS

Our Fund Foundation, Inc. (fka Our Fund, Inc.) (the "Foundation") was incorporated on January 29, 2011, under the laws of the State of Florida as a non-profit organization and is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and as a publicly supported charitable organization under Section 509(a)(1) and 170(b)(1)(A)(vi). The Foundation is an autonomous, publicly supported, independent philanthropic institution working to support non-profit organizations primarily serving the lesbian, gay, bisexual and transgender (LGBT) community in South Florida and solicits contributions from individuals, foundations and non-profit organizations.

A long-term goal of the Foundation is to build endowed, named funds established by many donors to carry out their charitable interests. Grant distributions, typically as recommended by donors from such endowed funds, will be made by the Foundation based on a spending rate with the long-term objective to preserve the original gift indefinitely as explained in Note 2. The Foundation also holds non-endowed, named funds each of whose donors may recommend grants up to the balance of his/her named fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Promises to Give: During 2021, the Foundation changed its accounting policy for recording testamentary gifts received from wills and trusts based on subsequent collections prior to the issuance of the financial statements. The Foundation has added the following additional criteria to record promises to give on bequests received through testamentary gifts (wills and trusts) up through the Management Date of Review for Financial Statements if the following conditions are all met: a) Donor has notified the Foundation of intended gift; b) Donor passes away prior to the end of the fiscal year; c) in the case of a will, the probate court has declared the will valid, or in the case of a trust, the trustee has delivered formal notice to the Foundation that it is a beneficiary of the trust; and d) the gift proceeds are either specific or measurable prior to receipt. The Foundation, as the residual beneficiary of a trust, recorded \$301,469 in promises to give as of June 30, 2020, and this gift was received in October of 2020. The Foundation had a promise to give related to an iGive society donation of \$15,000 as of June 30, 2021, received in July of 2021.

Net Assets: Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation.

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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

In accordance with U.S. Treasury Regulations and the Foundation bylaws, all fund agreements for both endowed and non-endowed funds include a variance provision that permits the Board of Directors to modify conditions or restrictions attached to particular gifts if the Board judges the restrictions to be incapable of fulfillment, unnecessary or inconsistent with the charitable goals of the Foundation. Based on this variance provision, all of the Foundation's net assets, except for those set aside for a special project in central Florida (see below), including endowed funds, were classified as without donor restrictions at all times during the years ended June 30, 2021 and June 30, 2020.

With Donor Restrictions: In response to the Pulse nightclub shooting in Orlando in June 2016, several national foundations approached the Foundation and requested that it oversee a special project to assist the non-profit community in central Florida respond to, recover from, and build future capacity in that area of the state. Due to the specific intended use of these funds, the assets associated with this project, called 'The Contigo Fund,' have been classified as with donor restrictions as of June 30, 2020. On May 18, 2021 the Foundation signed a Fiscal Sponsorship Transfer Agreement to transfer the remaining assets for The Contigo Fund to the Proteus Fund, a District of Columbia nonprofit corporation located in Amherst, MA. The Proteus Fund, as a qualified nonprofit under Section 501(c)(3) of the Internal Revenue Code and a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A) became the fiscal sponsor of The Contigo Fund effective May 31, 2021. As a result, the Foundation had no assets classified as with donor restrictions effective June 30, 2021.

Net assets with donor restrictions for the following purposes as of June 30, 2021:

Subject to expenditure for specified purpose	
Contigo Fund	\$ -
	<u>\$ -</u>

Releases from net assets with donor restrictions for the year ended June 30, 2021 are as follows:

Releases from restrictions:	
Subject to expenditure for specified purpose	
Contigo Fund	\$ 250,514
	<u>\$ 250,514</u>

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Use of Estimates in the Preparation of Financial Statements: The Foundation makes 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations: The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Recognition of Contributions

All contributions are considered to be available without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and other contributions of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. The organization recognizes contributions from Wills and Trusts upon court approval of the Wills and when the amounts are determinable.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed, and are recorded at their fair values in the period received.

The Foundation follows provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, "Revenue from Contracts with Customers", ("Topic ASC 606") and FASB Topic ASC 958, "Financial Statements of Not-for-Profit Organizations, ("Topic ASC 958"). Topic ASC 606 requires the Foundation to distinguish between contributions that increase net assets without donor restrictions or with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. Topic ASC 958 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and a statement of cash flows.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Spending Policy: The Finance and Investment Committee of the Board of Directors evaluates the spending policy of grants from endowed Funds periodically in light of total estimated long-term results from investments, fees, expenses and the effects of inflation. The current spending policy is 5% of the rolling twelve-quarter average fair value of the applicable Funds.

The Foundation segregates all of its unrestricted Funds into several different investment pools in order to obtain greater investment advantage and more efficient administration. The objective of investment management of all pools is to maximize the growth consistent with minimizing exposure to risks of capital losses and attainment of the desired level of grant making. The Foundation's investment policy is to invest initial contributions and subsequent additions to pooled Funds based on allocations determined by the Investment Committee and approved by the Board of Directors. The Foundation allocates net investment income or loss from pooled investments monthly based on the ratio of the previous month's average daily share of each Fund's fair value to the total of the pool in which it is included. The Foundation had segregated its net assets with donor restrictions into a money market account with a regionally known bank with a local presence.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. All direct costs are charged to the applicable functional area. Salaries, related benefits and all other indirect expenses are distributed to each functional area based on management's estimate of how the expense relates to the functional area. Accordingly, certain costs have been allocated among Contigo, Other Grants and Programs, Administrative and Donor Development.

Foundation Management Fees: The Foundation assesses an annual management fee ranging from .5% to 1.2% of the fair market value of the assets in the Fund. The Foundation also assesses a management fee of 1% on gifts received from estates. The management fee is used to support the operations of the Foundation. Management fees amounted to \$251,736 for the year ended June 30, 2021 and \$270,496 for the year ended June 30, 2020.

Equipment and Improvements: Equipment and Improvements are reported in the statement of financial position at cost, if purchased, and at fair value at the date of the donation, if donated. Depreciation is computed on a straight-line method over a three or five year period for both equipment and improvements for purchases and donations greater than or equal to \$1,000, and all other purchases are expensed as incurred. Repairs and maintenance that do not significantly increase the life of the asset are expensed as incurred. Depreciation expense amounted to \$31,066 for the year ended June 30, 2021 and \$17,069 for the year ended June 30, 2020.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”), which affects any entity that enters into a lease (as that term is defined in ASU 2016-02), with some specified scope exceptions. The main difference between the guidance in ASU 2016-02 and current GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Recognition of these assets and liabilities will have a material impact on our consolidated balance sheets upon adoption. Under ASU 2016-02, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients. The ASU will be effective for not-for-profits for annual reporting periods beginning after December 15, 2020. The Foundation is currently evaluating the potential impact of this guidance.

Advertising: The Foundation uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$6,240 and \$12,234 for the years ended June 30, 2021 and 2020, respectively.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and cash in banks. For purposes of the statement of cash flows, the Foundation considers all unrestricted liquid investments with maturities of three months or less to be cash equivalents. As of June 30, 2020, and 2021, the Foundation had no cash balances in excess of FDIC insurance at its financial institutions.

NOTE 4 – CREDIT RISK AND CONCENTRATIONS

Contributions received from one major donor accounted for 15.34% of total revenues received for the year ended June 30, 2021. Contributions received from two major donors accounted for 32.2% and 11.3%, respectively, of total revenues received for the year ended June 30, 2020.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5 – LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 43,567
Investments	1,428,592
Grants and accounts receivable	63,653
Promises to Give	15,000
Prepaid expenses	11,298
	<hr/>
Financial assets at year end	\$ 1,562,110
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<hr/> -
Financial assets available to meet cash needs for general expenditures within one year	<hr/> \$ 1,562,110 <hr/>

The Foundation's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date and amounts set aside for long-term investing in endowments.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments: Investments are in the custody of a nationally recognized investment firm that manages them in accordance with policies approved by the Board of Directors. The Foundation has established several investment pools into which donors establishing non-endowed funds at the Foundation have the option of recommending their gifts be placed. The pools include a diversified asset pool investing in publicly traded stocks, bonds, mutual funds, money market funds and cash; a fixed income pool investing in publicly traded bonds, fixed income mutual funds, money market funds and cash; a balanced pool investing in publicly traded stocks and equity funds, fixed income mutual funds and government-backed bond funds; and lastly a money market fund invested completely in money market funds. Under FASB ASC 958-320, Investments - Debt and Equity Securities, investments in marketable securities with readily-determinable fair values are reported at their fair values in the Statement of Financial Position, with the amount of unrealized gains or losses on investments not previously recognized shown in the Statement of Activities.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONT'D

Fair Value Measurements: FASB's guidance on the fair value for financial assets and financial liabilities permits organizations to choose to measure financial assets and liabilities, and certain other items at fair value. This guidance requires the Foundation to record unrealized gains and losses on items for which the fair value option has been elected in its performance sector. The fair value option may be applied on an instrument by instrument basis, which is the practice of the Foundation. Once elected, the fair value option is irrevocable for that instrument. The fair value option can be applied only to entire instruments and not to portions thereof.

The Foundation follows the guidance on fair value measurements, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. This guidance applies to other accounting pronouncements that require or permit fair value measurements and, accordingly, this guidance does not require any new fair value measurements.

This guidance discusses valuation techniques such as the market approach, cost approach and income approach. The guidance establishes a three-tier hierarchy for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions. The Foundation has no instruments requiring Level 3 classification.

The following table presents the financial instruments carried at fair value as of June 30, 2021 grouped by hierarchy level:

	Total Fair Value	Level 1	Level 2
Investments			
Cash and cash equivalents	\$ 1,428,592	\$ 1,428,592	\$ -
Equities and Equity Funds	11,066,237	11,066,237	-
Fixed Income Funds	7,627,139	-	7,627,139
Asset Backed Funds	1,515,223	-	1,515,223
Totals	<u>\$ 21,637,191</u>	<u>\$ 12,494,829</u>	<u>\$ 9,142,362</u>

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONT'D

The following table presents the financial instruments carried at fair value as of June 30, 2020 grouped by hierarchy level:

Investments	Total Fair Value	Level 1	Level 2
Cash and cash equivalents	\$ 1,552,973	\$ 1,552,973	\$ -
Equities and Equity Funds	7,040,669	7,040,669	-
Fixed Income Funds	7,298,566	-	7,298,566
Asset Backed Funds	1,203,390	-	1,203,390
Totals	<u>\$ 17,095,598</u>	<u>\$ 8,593,642</u>	<u>\$ 8,499,956</u>

Cash and cash equivalents: Cash, commercial paper, money market funds, overnight investments and Certificates of Deposit with original maturities of three months or less. These are rendered level 1 due to their frequent pricing and ease of converting to cash.

Certificates of Deposit: Certificates of deposit with original maturities greater than three months. These are rendered level 2 due to computed pricing and frequent evaluation versus fair value.

Corporate Bonds: For investments in corporate bonds, fair value is based on quotes for similar securities; therefore these investments are rendered level 2.

Equities and Equity Funds: Equities include individual equities and investments in mutual funds. The individual equities and mutual funds are value based on the closing price on the primary market and are rendered level 1.

Fixed Income Funds: Fixed income funds are investments in mutual funds and fixed income instruments and fair value is based on quotes for similar securities, rendering these level 2.

Asset Backed Funds: Asset backed funds are instruments invested in real estate and commodities, with assets securing the value of the fund. Fair value is based on quotes for similar securities, also rendering these instruments level 2.

The Foundation holds funds in both endowed and non-endowed funds. Endowed funds are funds designated to distribute only the amount as set by the spending policy on an annual basis. Non-endowed funds may be distributed at any time, up to the full balance within each fund.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONT'D

Following are the balances of Non-Endowed and Endowed funds held by the Foundation as of June 30, 2021 and June 30, 2020.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Non-Endowed Funds	\$ 6,088,282	\$ 5,414,220
Endowed Funds	<u>15,548,909</u>	<u>11,681,378</u>
Total	\$ <u>21,637,191</u>	\$ <u>17,095,598</u>

Investment expenses paid directly to the management firm for the fiscal years 2021 and 2020 were \$46,568 and \$37,478 respectively. In addition, a substantial portion of the Foundation's investments are in mutual funds operated by the management firm, and fees paid to the management firm by the mutual funds reduce the amount of dividends received from them.

NOTE 7 – GRANTS PAYABLE

As of June 30, 2021, the Foundation had a commitment to one organization for a grant totaling \$12,500 which as of the date of this report is still undisbursed. As of June 30, 2020, the Foundation had a commitment to one organization in central Florida for a grant totaling \$25,000 from The Contigo Fund and that grant was disbursed in July of 2020.

NOTE 8 – GRANTS AND PROGRAMS

Grants and Programs include grants of \$2,989,473 made directly to nonprofit organizations during the year ended June 30, 2021, of which \$408,904 was granted to Proteus Fund for the transfer of The Contigo Fund as described above. Total grants during the year ended June 30, 2020 were \$1,866,701.

NOTE 9 – RETIREMENT CONTRIBUTION

The Foundation began a retirement contribution program during the year ended June 30, 2018 which covers all employees who meet certain eligibility requirements. The Foundation provides a matching contribution equal to 100% of an employee's elective deferral up to 3% of the employee's compensation. Retirement plan expense was \$8,913 for the year ended June 30, 2021 and \$8,515 for the year ended June 30, 2020.

NOTE 10 – COMMITMENTS

On December 23, 2020 the Foundation entered into a one-year agreement with a software company for accounting, fund, and data management services. The agreement expires on January 31, 2022 and provided for monthly payments of approximately \$1,667.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10 – COMMITMENTS – CONT'D

On June 1, 2019, the Foundation entered into a seven-year lease agreement for office space at a new location. The lease agreement expires on May 31, 2026. The Foundation also has options to renew the terms of this lease for two (2) additional terms of three (3) years each. The agreement provides for monthly base rent payments during the first 12 months of \$1,871 plus annual increases of 3% per year over the previous year's base rent. The lease also includes the payment of other monthly Common Area Maintenance expenses (CAM) of \$1,530 per month.

Future minimum payments for both agreements are as follows:

Year Ending June 30,	Software	Office Space	Total
2022	\$ 11,669	\$ 42,249	\$ 53,918
2023	-	42,965	42,965
2024	-	43,703	43,703
2025	-	44,464	44,464
Thereafter	-	41,414	41,414
Total	<u>\$ 11,669</u>	<u>\$ 214,795</u>	<u>\$ 226,464</u>

NOTE 11 – FUNDS HELD FOR THE BENEFIT OF AGENCIES

The Foundation accounts for Funds Held for the Benefit of Agencies in accordance with FASB's ASC 958-605-15 -Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. This statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets or both to another entity that is specified by the donor.

The ASC specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such asset as a liability. The Foundation refers to such funds as Funds Held for the Benefit of Agencies in the accompanying Statements of Financial Position. The Foundation maintains variance power and legal ownership of certain Funds Held for the Benefit of Agencies and as such, continues to report the funds as assets of the Foundation. However, a liability has been established for the fair value of the funds.

The Foundation maintains Funds Held for the Benefit of Agencies as a component part of its investment funds. These funds are pooled and managed in the same manner as all other investments held by the Foundation. These funds and the corresponding liability totaled \$837,240 as of June 30, 2021, and \$734,002 as of June 30, 2020.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 – FUNDS HELD FOR THE BENEFIT OF AGENCIES – CONT'D

The following is a summary of the activity for the years ended June 30, 2021 and 2020:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Starting Balance	\$ 734,002	\$ 620,336
Contributions to funds held for the benefit of Agencies	-	500,000
Grants to Agencies	(3,308)	(403,327)
Investment Income	12,112	19,172
Investment expense	(1,915)	(2,148)
Realized and Unrealized gain (loss) on investments	104,697	8,680
Foundation fees paid	<u>(8,348)</u>	<u>(8,741)</u>
Ending Balance	<u>\$ 837,240</u>	<u>\$ 734,002</u>

The amounts reflected in the statements of activities for the years ended June 30, 2021 and 2020 are presented net of the activity summarized above related to the funds held for the benefit of agencies.

NOTE 12 – LOAN PAYABLE

On May 6, 2020, the Foundation (“Borrower”) received loan proceeds in the amount of \$76,644 from The Northern Trust Company (the “Lender”) under the Paycheck Protection Program (“PPP”) established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The loan matures on May 6, 2022 and bears an interest rate of 1.00% fixed per annum, payable monthly commencing on November 6, 2020. The loan may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the PPP loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Foundation intends to use the entire loan amount for qualifying expenses.

The Foundation has chosen to account for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. The Foundation has adopted the approach to recognize contribution income as the qualifying expense are incurred. As of June 30, 2020, the Foundation had recognized \$66,297 in contribution income and the remaining PPP loan balance of \$10,347 was recognized as contribution income for the year ended June 30, 2021.

OUR FUND, INC.
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NOTE 13 – LEGACY CONTRIBUTIONS

The Foundation received a total of \$2,083,252 of legacy contributions for the year ended June 30, 2021. Of this amount, \$100,081 was re-classified from donor advised funds to legacy funds as provided for in the donor advised fund agreements. Legacy contributions of \$6,800,755 were received for the year ended June 30, 2020.

NOTE 14 – INCOME TAXES

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, if income from certain activities not directly related to the Foundation's tax-exempt purpose were received, it would be subject to taxation as unrelated business income. The Foundation's federal returns for the years ended June 30, 2019, 2020 and 2021 could be subject to examination by the Federal taxing authorities, generally three years from the date they are filed.

NOTE 15 – SUBSEQUENT EVENTS

Date of Management Review: Subsequent events were evaluated by management through December 15, 2021, which is the date the financial statements were issued. The Foundation, as a partial beneficiary of three estates, recorded \$2,631,651 of proceeds from these gifts in August, September, and November of 2021.