DASZKALBOLTON
accountants & advisors

George Snow Scholarship Fund, Inc.

Consolidated Financial Statements

December 31, 2019

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Independent Auditors' Report

To the Board of Directors
George Snow Scholarship Fund, Inc.
Boca Raton, Florida

We have audited the accompanying consolidated financial statements of the George Snow Scholarship Fund, Inc. (the "Organization"), which comprise the consolidated statement of financial position at December 31, 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the George Snow Scholarship Fund, Inc. at December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Daszkal Bolton LLP

Boca Raton, Florida
August 21, 2020

George Snow Scholarship Fund, Inc.
Consolidated Statement of Financial Position
December 31, 2019

ASSETS

Current assets:		
Cash and cash equivalents	$	2,059,452
Accounts receivable		3,277
Pledges receivable, current		174,780
Investments		1,423,587
Prepaid expenses and deposits		3,885
Total current assets		3,664,981
Pledges receivable, net of current		268,047
Endowments		1,972,279
Property and equipment, net		209,646
Total assets	$	6,114,953

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued expenses	$	25,410
Scholarships payable		2,037,586
Total liabilities		2,062,996
Commitments and contingencies		
Net assets:		
Without donor restrictions		1,022,286
With donor restrictions		3,029,671
Total net assets		4,051,957
Total liabilities and net assets	$	6,114,953

See accompanying notes to consolidated financial statements.

George Snow Scholarship Fund, Inc.
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:			
Cash contributions	$ 9,400	$ -	$ 9,400
In-kind contributions	59,723	-	59,723
Capital campaigns	226,441	-	226,441
Scholarships	-	1,184,227	1,184,227
Program awards	61,762	-	61,762
Added value and administrative fees	134,520	-	134,520
Special events, net of expenses	658,945	-	658,945
Net investment return	144,627	184,040	328,667
Other	11,387	-	11,387
Net assets released from restrictions	950,453	(950,453)	-
Total support and revenues	2,257,258	417,814	2,675,072
Expenses:			
Program services	1,799,027	-	1,799,027
Fundraising	158,853	-	158,853
Management and general	173,212	-	173,212
Total expenses	2,131,092	-	2,131,092
Change in net assets	126,166	417,814	543,980
Net assets, beginning of year (restated)	896,120	2,611,857	3,507,977
Net assets, end of year	$ 1,022,286	$ 3,029,671	$ 4,051,957

See accompanying notes to consolidated financial statements.

George Snow Scholarship Fund, Inc.
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Services	Support Services: Fundraising	Support Services: Management and General	Total
Salaries and related expenses	$ 237,764	$ 43,436	$ 53,509	$ 334,709
Scholarships	1,238,875	-	-	1,238,875
Professional fees	48,696	81,349	81,706	211,751
Occupancy and related costs	60,634	9,871	-	70,505
Program supplies	64,253	-	-	64,253
Program grants	39,111	-	-	39,111
Awards reception	25,294	-	-	25,294
Depreciation	19,421	677	2,483	22,581
Conference, meetings and events	9,477	-	12,745	22,222
Communications	13,471	-	7,578	21,049
Information technology	10,146	7,395	-	17,541
Advertising	9,840	-	6,560	16,400
Other	10,390	98	360	10,848
Insurance	2,066	4,672	2,246	8,984
Office supplies	2,311	2,381	2,311	7,003
Telephone	2,218	2,286	2,218	6,722
Development	-	6,688	-	6,688
Postage	5,060	-	1,496	6,556
Total functional expenses	$ 1,799,027	$ 158,853	$ 173,212	$ 2,131,092

See accompanying notes to consolidated financial statements.

George Snow Scholarship Fund, Inc.
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2019

Cash flows from operating activities:	
Change in net assets	$ 543,980
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	22,581
Net investment return	(328,667)
Changes in assets and liabilities:	
Accounts receivable	(3,277)
Pledges receivable	(76,672)
Prepaid expenses and deposits	31,600
Accrued expenses	(12,894)
Scholarships payable	244,104
Net cash provided by operating activities	420,755
Cash flows from investing activities:	
Purchase of property and equipment	(1,882)
Sales of investments	1,893,160
Purchases of investments	(1,963,531)
Net cash used in investing activities	(72,253)
Net cash from financing activities	-
Net increase in cash and cash equivalents	348,502
Cash and cash equivalents, beginning of year	1,710,950
Cash and cash equivalents, end of year	$ 2,059,452

Supplemental disclosures of cash flow information:

Interest paid	$ -

See accompanying notes to consolidated financial statements.

Note 1 – Organization and Description of Business

The accompanying consolidated financial statements for the year ended December 31, 2019, represent those of the George Snow Scholarship Fund, Inc. ("GSSF") and its wholly-owned subsidiary, GSSF Services, LLC ("GSSFS"). GSSF is a non-profit organization incorporated in the State of Florida in 1981 and exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The purpose of GSSF is to provide educational grants to the deserving young people of Palm Beach and Northern Broward Counties of Florida. GSSF administers scholarships for other individuals, corporations and organizations. GSSFS is a single member LLC formed under the laws of the State of Florida on February 27, 2012. GSSFS was formed for the purpose of owning and operating certain scholarship fund assets for the purpose of protecting and shielding the GSSF from potential liability due to the use and operation of these assets.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the consolidated amounts of GSSF and GSSFS. These entities collectively are referred to as the "Organization". All significant intercompany transactions have been eliminated in consolidation.

The Organization's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Available for use in general operations and are not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
>
> **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amount of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results may differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs, general and administrative and fundraising costs based on time expended or space occupied.

Note 2 – Summary of Significant Accounting Policies, continued

Bequests
The Organization is a beneficiary under various will and trust agreements. Related amounts are recorded either when a will is declared valid by a probate court, or when the Organization is notified as a beneficiary of a trust and the amounts are measurable.

Contributions
Contributions received are recorded as revenue without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue and Expense Recognition
Revenue from contributions and fund-raising events are recorded when cash is received or an unconditional promise to give is made. In-kind contributions are recognized as income when the donated assets are actually received. Expenses are recorded when incurred.

Deferred Revenue
Deferred revenue consists of payments received in advance of the Organization's annual scholarship award payments and annual events. Revenue is recognized in the subsequent year during the time the activity or event occurs.

Fundraising
The Organization's consolidated financial statements are presented in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 958, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities that include Fundraising.* ASC 958 establishes criteria for accounting and reporting for any activity that solicits contributions.

Special Events
The Organization recognizes special event income in the year the event occurs. Special event income is reflected net of its related expenditures.

Cash and Cash Equivalents
Cash and cash equivalents include all monies in banks and money market funds. Cash equivalents include highly liquid securities with a maturity of ninety (90) days or less when acquired.

Pledges Receivable
The receipt by the Organization of unconditional promises to give with amounts due in future periods is reported as donor restricted support, unless explicit donor or grantor stipulations or circumstances surrounding the receipt of the promise make clear that the donor or grantor intended it to be used to support activities of the current period. Unconditional promises to give in future periods greater than one year are reported at the discounted present value of estimated future cash flows, using a discount rate that approximates the rate of government securities, and are deemed fully collectible at December 31, 2019. Amortization of the discount is recorded as additional contribution revenue.

Note 2 – Summary of Significant Accounting Policies, continued

Valuation of Investments at Fair Value

The Organization measures its financial assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The Organization follows a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value if contributed. Depreciation is provided over the estimated useful lives ranging from five (5) to twenty (20) years on the respective assets on a straight-line basis.

Major replacements and betterments of buildings, building improvements and equipment are capitalized while repairs and minor replacements are charged to operations.

Fair Value of Financial Instruments

The carrying amount of the Organization's financial instruments, which include cash and cash equivalents, investments and accrued liabilities, approximate their fair values due to their short-term maturities and market rates of interest.

Income Taxes

GSSF is exempt from federal and state income taxes under Section 501(c)(3) of the IRC and Chapter 220.13 of the Florida Statutes. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. Accordingly, there is no provision for income taxes.

GSSFS is a limited liability company and as a result, its income tax effects are passed through to GSSF, its sole member.

Note 2 – Summary of Significant Accounting Policies, continued

Income Taxes, continued

The Organization follows FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statues of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. The Organization files income tax returns in the U.S. federal jurisdiction. Generally, the Organization is subject to U.S. federal income tax examinations by tax authorities for three (3) years from the date of filing.

Endowment Funds

The Organization has various donor-restricted endowment asset funds which were established for the purpose of granting scholarships to qualified students. One of the endowment asset funds is a community fund, The Snow Education Endowment, established for the purpose of granting scholarships to qualified students. The Organization also established a quasi-endowment fund which was designated by the Organization's Board of Directors for scholarships. The endowment assets consist of donor-restricted funds and board designated funds. The Snow Education Endowment is a community asset that provides hope and opportunity to the area's brightest and most talented youth. The endowment funds come from the generosity of donors' legacy gifts, which are then invested. Currently, the income earned from these investments is reinvested back into the Snow Education Endowment so that the endowment will grow into a sustainable source of funding for scholarships and support services for the deserving students of Palm Beach County far into the future. Endowment fund contributions mostly are subject to donor restrictions that stipulate that the principal amount be held and indefinitely invested by the Organization, with the investment earnings available for scholarship and award program services. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has established endowment investment and cash flow policies that attempt to subject endowed funds to low investment risk and provide its scholarship and award program services from current income. Endowment assets are invested in cash equivalents, certificates of deposit, mutual funds, fixed income securities and securities. The Organization seeks to build endowment assets through additional contributions. The Organization has a policy of appropriating for distributions each university semester based on the endowment funds investment income from the previous year that is not restricted, and the Organization generally expends either all or a portion of the endowment funds investment income for scholarship program services each semester in the fiscal year following receipt. The Organization's current cash flow policy is not expected to allow the Organization's endowment funds to grow due to market investment returns; this is consistent with the Organization's objectives to provide income for its scholarship programs, preserve endowment asset values without subjecting them to substantial risk, and provide additional real growth through new gifts.

Note 2 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncement

In June 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-08—Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. ASU No. 2018-08 should assist entities in (i) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (ii) determining whether a contribution is conditional. ASU No. 2018-08 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Organization does not expect the adoption of ASU No. 2018-08 to have a material effect on the consolidated financial statements and disclosures.

Date of Management's Review

The Organization evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through August 21, 2020, which is the date the consolidated financial statements were available to be issued.

Note 3 – Prior Period Adjustment

Restatement

The Organization has restated its consolidated financial statements for the year ended December 31, 2018, to properly reflect deferred scholarship expenditures and ending net assets with donor restrictions. The Organization considers awarded scholarships to be unconditional promises to give, therefore the entire scholarship payable and scholarship expense should be recognized in the period the scholarship award agreements are executed. In addition, the Organization reported certain donor-restricted funds as net assets without donor restriction. Accordingly, the Organization has restated its consolidated financial statements for the year ended December 31, 2018 to correct these errors.

The Organization's consolidated financial statements for the year ended December 31, 2018 has been restated as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning net assets, as previously reported	$ 3,612,723	$ 1,688,736	$ 5,301,459
Increase in expense	(1,793,482)	-	(1,793,482)
Net asset reclassification	(923,121)	923,121	-
Ending net assets, as restated	$ 896,120	$ 2,611,857	$ 3,507,977
Change in net assets, as previously reported	$ 150,638	$ 593,813	$ 744,451
Increase in expense	(1,793,482)	-	(1,793,482)
Net asset reclassification	(923,121)	923,121	-
Change in net assets, as restated	$ (2,565,965)	$ 1,516,934	$ (1,049,031)

Note 4 – Pledges Receivable

Unconditional promises to give are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. The discounts on those amounts are computed using a risk-free interest rate applicable to the years in which promises are received. Amortization of the discounts is included in contributions revenue.

Pledges receivable consisted of the following at December 31, 2019:

Endowments	$	197,500
Scholarships		270,000
Pledges receivable before unamortized discount		467,500
Less: unamortized discount		(24,673)
Pledges receivable, net	$	442,827
Amounts due in:		
Less than one year	$	174,780
One to five years		268,047
Total pledges receivable, net	$	442,827

Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31, 2019:

Computer equipment	$	14,759
Furniture and fixtures		90,584
Leasehold improvements		260,747
Equipment		16,650
Total property and equipment		382,740
Less: accumulated depreciation		(173,094)
Property and equipment, net	$	209,646

Depreciation expense for the year ended December 31, 2019 was $22,581.

Note 6 – Investments

The fair value of investments consisted of the following at December 31, 2019:

	Fair Value Measurement			
	Total	Level 1	Level 2	Level 3
Camp 7669, LLC	$ 25,555	$ -	$ 25,555	$ -
Mutual funds	1,398,032	1,398,032	-	-
	$ 1,423,587	$ 1,398,032	$ 25,555	$ -

Note 6 – Investments, continued

The changes in the Organization's investment net assets were as follows for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Investment net assets, December 31, 2018	$ 1,314,316	$ -	$ 1,314,316
Investment return:			
Net appreciation	100,202	-	100,202
Investment fees	(6,628)	-	(6,628)
Contributions	56,181	-	56,181
Withdrawals	(40,484)	-	(40,484)
Investment net assets, December 31, 2019	$ 1,423,587	$ -	$ 1,423,587

The Organization owns a 12.5% interest in a privately held limited liability company. This investment is accounted for using the equity method of accounting. Accordingly, the investment is recorded at acquisition cost, adjusted for the Organization's share of equity in the undistributed earnings or losses of the entity. The carrying value of the investment at December 31, 2019 was $25,555 and has been included within the investments classification in the Organization's consolidated statement of financial position.

Note 7 – Lease Commitments

The Organization has a lease agreement with an unrelated third party for office space which expires on September 30, 2022. The lease calls for monthly rental payments of $298. The difference between the leases rental market value and amounts charged under this lease for the year ended December 31, 2019 was $59,723, which was recognized as in-kind revenue and expense. The Organization also leases storage space and equipment under various operating leases.

Rent expense under these operating leases for the year ended December 31, 2019 was $70,505.

The minimum future lease payments under operating leases were as follows:

Years Ending December 31,	Amount
2020	$ 3,569
2021	3,569
2022	3,569
	$ 10,707

Note 8 – Concentration of Credit Risk

Cash and cash equivalents include checking, savings, and money market mutual funds and are maintained at several financial institutions and major brokerage firms. The Organization may be subject to credit risk to its cash and cash equivalents, which are placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation ("FDIC") coverage is $250,000 for all depository accounts. Amounts on deposit in excess of federally insured limits at December 31, 2019 totaled $538,508.

Accounts held at Securities Investor Protection Corporation ("SIPC") insured brokerage firms are insured up to $500,000. The Organization's accounts exceeded SIPC insured limits by $2,451,979 at December 31, 2019.

Note 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2019 are restricted for the following purposes:

Subject to expenditure for specified purpose:		
Endowment	$	992,085
Scholarships		2,037,586
Total net assets with donor restrictions	$	3,029,671

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

Endowment	$	10,330
Scholarships		940,123
Total net assets released from restrictions	$	950,453

Note 10 –Net Assets without Donor Restrictions

Net assets without donor restrictions consisted of the following at December 31, 2019:

Undesignated	$	42,092
Board-designated, endowment funds		980,194
Total net assets without donor restrictions	$	1,022,286

Note 11 – Endowments

Endowment Funds

The endowment assets consist of donor-restricted funds and board designated funds. As required by GAAP, net assets associated with endowment funds are classified based on the existence or absence of donor-imposed restrictions. At December 31, 2019, the fair value of the endowment funds was $1,972,279, of which $992,085 represents net assets with donor restrictions and $980,194 represents net assets without donor restrictions. Any periodic deficiencies within the endowment fund balances result from unfavorable market fluctuations and/or from the continued appropriation for the scholarship grants that were deemed prudent by the Board of Directors.

Note 11 – Endowments, continued

Interpretation of Relevant Law

In June 2011, the State of Florida adopted the *Florida Uniform Prudent Management of Institutional Funds Act* ("FUPMIFA") which is effective July 1, 2012. The Organization has interpreted FUPMIFA 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 Organization classifies as with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment fund earnings:

1) The duration and preservation of the fund
2) The purposes of the Organization 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 Organization
7) The investment policies of the Organization

For the year ended December 31, 2019, the Organization has elected to not add appreciation for cost of living or other spending policies to its endowment for inflation and other economic conditions.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve a competitive rate of return while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original with donor restriction principal. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that places emphasis on investments in mutual funds to achieve its long-term return objectives within prudent risk constraints.

Note 11 – Endowments, continued

Strategies Employed for Achieving Objectives, continued

The following is a summary of the Organization's endowment funds net asset composition by type of fund at December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 980,194	$ -	$ 980,194
Donor restricted endowment funds	-	992,085	992,085
Total endowments net assets	$ 980,194	$ 992,085	$ 1,972,279

The changes in the Organization's endowment net assets were as follows for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2018	$ 864,137	$ 818,375	$ 1,682,512
Investment return:			
Net appreciation	122,746	114,040	236,786
Investment fees	(9,344)	(9,473)	(18,817)
Contributions	2,655	70,000	72,655
Amounts appropriated for expenditures	-	(857)	(857)
Endowment net assets, December 31, 2019	$ 980,194	$ 992,085	$ 1,972,279

Note 12 – Liquidity and Availability

The Organization's financial assets available within one year to meet cash needs for general expenditure, without donor or other restrictions limiting their use, within one year of December 31, 2019 are as follows:

Financial assets:	
Cash and cash equivalents	$ 2,059,452
Accounts receivable	3,277
Pledges receivable	174,780
Investments	1,423,587
Endowments	1,972,279
Total financial assets	5,633,375
Less financial assets unavailable for general expenditure within one year due to:	
Restricted by donors with purpose restrictions:	
Endowment funds	992,085
Scholarships	2,037,586
Total financial assets unavailable for general expenditure	3,029,671
Financial assets available within one year to meet cash needs for general expenditures	$ 2,603,704

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments.

Note 13 – Subsequent Event

On January 30, 2020, the World Health Organization (the "WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond the point of origin. On March 20, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of these consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ending December 31, 2020.

Note 13 – Subsequent Event, continued

In response to the COVID-19 outbreak in the United States, the CARES Act (the "Act") was passed by Congress and signed into law on March 27, 2020. Among other programs, the Act included the Small Business Administration ("SBA") Paycheck Protection Program ("PPP"), an extension of the SBA Section 7(a) program that provides up to $349 billion in 100% SBA-guaranteed loans for eligible small businesses, including loan forgiveness provisions where loan proceeds are used for qualifying expenditures. On April 15, 2020, the Organization received a PPP loan (the "PPP loan") under the SBA PPP with an original principal balance of $43,000. The PPP loan principal and interest will be forgiven so long as the funds are used for qualifying expenditures as outlined in the Act. Management intends for the principal and interest on the PPP loan to be forgiven in its entirety. The loan bears interest at 1% and matures on April 15, 2022. Eighteen (18) equal monthly principal and interest payments will commence on November 15, 2020 for any unforgiven principal and interest under the PPP loan.