

***CORNERSTONES COMMUNITY PARTNERSHIPS***

**(A Not-for-Profit Corporation)**

**Financial Statements**

**With Independent Auditor's Report**

***December 31, 2020***

**Carolyn H. Gonzales, Inc.  
Certified Public Accountant  
2213 Brothers Rd., Suite 200  
Santa Fe, NM 87505**

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**FINANCIAL STATEMENTS**  
December 31, 2020

Table of Contents

	<u>Page</u>
<i>Independent Auditor's Report</i>	1
<i>Statement of Financial Position</i>	2
<i>Statement of Activities</i>	3
<i>Statement of Functional Expenses</i>	4
<i>Statement of Cash Flows</i>	5
<i>Notes to Financial Statements</i>	6-16

# Carolyn H. Gonzales CPA

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## *INDEPENDENT AUDITOR'S REPORT*

To the Board of Directors of  
Cornerstones Community Partnerships

We have audited the accompanying financial statements of Cornerstones Community Partnerships (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornerstones Community Partnerships as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

  
Santa Fe, New Mexico

July 1, 2021

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**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2020

**ASSETS**

Current Assets	
Cash	\$ 505,529
Cash program restricted	7,159
Investments	183,840
Total cash and investments	<u>696,528</u>
Projects in-process	7,653
Total Current Assets	<u>704,181</u>
Fixed assets ( <i>net</i> )	1,289
Other assets	11,431
<b>Total assets</b>	<b><u><u>\$ 716,901</u></u></b>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Current Liabilities	
Accounts payable	\$ 3,849
Accrued expenses	4,773
<b>Total liabilities</b>	<b><u>8,622</u></b>

**Net Assets**

**Without donor restriction**

Undesignated	477,684
Board designated for endowment	124,125
Total without donor restriction	<u>601,809</u>

**With donor restriction**

Purpose and time restricted	74,356
Endowment	
Endowment earnings	8,379
Endowment perpetual	23,735
Total endowment	<u>32,114</u>
Total with donor restriction	<u>106,470</u>
<b>Total net assets</b>	<b><u>708,279</u></b>

<b>Total liabilities and net assets</b>	<b><u><u>\$ 716,901</u></u></b>
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The Accompanying Notes Are an Integral  
Part of These Financial Statements

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020

	<i>Without donor restriction</i>		<i>With donor restriction</i>			<i>Total</i>
	<i>Operating</i>	<i>Board Restricted Endowment</i>	<i>Programs</i>	<i>Endowment Earnings</i>	<i>Endowment</i>	
<b><u>Revenues and Other Support</u></b>						
Contributions	\$ 107,372	\$ 750	\$ 256,345	\$ -	\$ 2,500	\$ 366,967
Grants and project support	441,424	-	-	-	-	441,424
Program revenue	31,293	-	-	-	-	31,293
Investment income ( <i>net</i> )	20,488	-	-	3,759	-	24,247
Net assets released from restriction	265,045	-	(265,045)	-	-	-
<b>Total revenue and other support</b>	<b>865,622</b>	<b>750</b>	<b>(8,700)</b>	<b>3,759</b>	<b>2,500</b>	<b>863,931</b>
<b><u>Expenses</u></b>						
Program services						
Preservation and training	498,638	-	-	-	-	498,638
Preservation solar economic development	139,210	-	-	-	-	139,210
Covid community assistance	49,776	-	-	-	-	49,776
<b>Total program services</b>	<b>687,624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687,624</b>
Support Services						
Development	66,939	-	-	-	-	66,939
Management and general	69,740	-	-	-	-	69,740
<b>Total support services</b>	<b>136,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,679</b>
<b>Total expenses</b>	<b>824,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>824,303</b>
<b>Change in net assets</b>	<b>41,319</b>	<b>750</b>	<b>(8,700)</b>	<b>3,759</b>	<b>2,500</b>	<b>39,628</b>
<b>Net assets, beginning of year</b>	<b>436,365</b>	<b>123,375</b>	<b>83,056</b>	<b>4,620</b>	<b>21,235</b>	<b>668,651</b>
<b>Net assets, end of year</b>	<b>\$ 477,684</b>	<b>\$ 124,125</b>	<b>\$ 74,356</b>	<b>\$ 8,379</b>	<b>\$ 23,735</b>	<b>\$ 708,279</b>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2020

<i>Program services</i>						
	<i>Preservation</i>					
	<i>Preservation</i>	<i>solar</i>	<i>Covid</i>	<i>Development</i>	<i>Management</i>	<i>Total</i>
	<i>and training</i>	<i>economic</i>	<i>community</i>		<i>and general</i>	
	<i>development</i>	<i>service</i>				
Salaries, taxes & benefits	\$ 262,720	\$ 29,286	\$ -	\$ 47,589	\$ 37,261	\$ 376,856
Contract agreements	160,627	109,924	49,776	34	-	320,361
Professional fees	23,091	-	-	5,643	13,583	42,317
Occupancy	20,741	-	-	1,806	3,485	26,032
Insurance	20,026	-	-	590	1,288	21,904
Supplies	1,576	-	-	2,050	6,906	10,532
Business promotion	-	-	-	7,618	455	8,073
Printing and copying	4,677	-	-	315	359	5,351
Maintenance and repairs	233	-	-	-	3,782	4,015
Telephone	2,543	-	-	203	453	3,199
Postage	662	-	-	772	779	2,213
Subscriptions and dues	580	-	-	-	439	1,019
Licenses	-	-	-	-	826	826
Depreciation	761	-	-	-	-	761
Bank charges	401	-	-	319	27	747
Board activities	-	-	-	-	97	97
	<b>\$ 498,638</b>	<b>\$ 139,210</b>	<b>\$ 49,776</b>	<b>\$ 66,939</b>	<b>\$ 69,740</b>	<b>\$ 824,303</b>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**STATEMENT OF CASH FLOW**  
For the Year Ended December 31, 2020

<b>Cash flows from operating activities:</b>	
<b>Change in net assets</b>	<b>\$ 39,628</b>
 <i>Adjustments to reconcile change in net assets to net cash used by operating activities:</i>	
Effects of changes in operating assets and liabilities:	
Depreciation	760
Realized and unrealized gains on investments	(17,874)
(Increase) in accrued income	(3,535)
(Increase) in prepaid expenses	(2,518)
Increase in accounts payable	2,862
(Decrease) in accrued liabilities	(33,649)
Contributions restricted for endowment	(2,500)
Total adjustments	<u>(56,454)</u>
<b>Net cash provided by operating activities</b>	<b><u>(16,826)</u></b>
 <b>Cash flows from investing activities:</b>	
Purchase of investments	(17,478)
Sale of investments	9,987
<b>Net cash provided by financing activities</b>	<b><u>(7,491)</u></b>
 <b>Cash flows from financing activities:</b>	
Contributions restricted for endowment	2,500
<b>Net cash provided by financing activities</b>	<b><u>2,500</u></b>
<b>Net increase (decrease) in cash</b>	<b><u>(21,817)</u></b>
 <b>Cash, cash equivalents and restricted cash, beginning of year</b>	 <b><u>534,505</u></b>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b><u>\$ 512,688</u></b>
 Supplemental disclosure of cash flow information:	
Inkind donations	<u>\$ 455</u>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles**

**Organization and Nature of Activities**

Cornerstones Community Partnerships (the Organization), incorporated in New Mexico is a not-for-profit corporation organized in 1994 to work in partnership with communities to strengthen their cultural values by restoring historic structures, encouraging traditional building practices, affirming cultural values, developing skills and leadership and endorsing sustainability through economic development initiatives.

The Organization's programs are dedicated to assisting communities in preserving their heritage through collaboration, assistance and training. The primary support is obtained through the general public, grants and awards, and governmental agencies.

**Basis of Accounting**

The financial statements of Cornerstones Community Partnerships have been prepared on the accrual basis of accounting, and accordingly, reflect all accounts receivable and accounts payable as of December 31, 2020.

**Classification of Net Assets**

The accompanying financial statements are presented in accordance with the accounting and reporting standards (ASU 2016-14), required by Financial Accounting Standards Board (FASB), Accounting Standards Codification which requires not-for-profit entities to report information regarding its financial position and activities according to two classes of net assets as follows:

Without donor restriction net assets - represent those resources or assets that the Organization may use at its discretion. Unrestricted net assets are not subject to donor-imposed restrictions. Included are also internal restrictions imposed by the governing body.

With donor restriction net assets - represent those resources subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time or a condition requirement.

Included also are donor-imposed stipulations that neither expire by the passage of time or can be fulfilled or otherwise removed by actions of the Organization. These relate to contributions which are required to be held in perpetuity and income from the assets held available for either general operations or a specific purpose, in accordance with donor stipulations, if applicable.



**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Certain costs have been allocated among the programs and supporting services benefited. Compensation costs are allocated based on actual time spent on various programs. Supporting services are allocated based on a square foot basis.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). As such, no provision for income taxes is reflected in the financial statements. The Organization believes that it has appropriate support for income tax positions taken. Therefore, management has not identified any uncertain income tax positions. Generally, income tax returns related to the current and three-year prior years remain open for examination by taxing authorities.

**Cash and cash equivalents**

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less. The cash includes money held in financial institutions, certificates of deposits accounts and money market accounts. For purposes of the statement of cash flows, the Organization considers all cash accounts to be cash equivalents.

**Contributions pledged and in-transit**

Contributions are recognized when the donor makes a promise to give to the Organization which may be either unconditional or conditional. Unconditional promises to give are recorded as support in the period they are identified. Conditional promises are recorded when the conditions on which they depend are substantially met. Contributions in-transit relate to support received or in-transit as of December 31 not yet deposited in the financial institution until the next calendar year. The Organization records contributions that were mailed and/or committed as of December 31. The Organization uses the direct write-off method to determine uncollectible support.

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles (continued)**

**Grants and Contracts**

There are a number of grants and contracts awarded from governmental agencies that are based on a cost-reimbursement basis and are recognized to the extent of expenditures incurred, not to exceed the grant or contract amount. All other grants may be recognized as support when awarded, depending on the conditions of the grant.

**Property, Equipment and Depreciation**

Property and equipment are valued at cost at the date of purchase. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment are depreciated using the straight-line method over their respective useful lives.

The Organization follows a capitalization policy for purchases or donations with a value of \$5,000 or more. Items with values of less than \$5,000 are analyzed individually.

**Advertising**

The Organization expenses the cost of advertising as incurred.

**Accounting Pronouncements**

ASU 2016-02, *Leases* (Topic 842), Under this standard, lessees will be required to bring substantially all leases onto their balance sheets by recording a right-of-use asset and lease liability. Expense will be recognized on a straight-line basis for an operating lease. Recognition of expense for a finance lease will be similar to the current treatment of capital leases. The requirements of ASU 2016-02 are effective for the Organization's year ending December 31, 2021, extended from December 31, 2020.

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This required nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. Under the new standard, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with the following disclosures made for each category:

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles (continued)**

**Accounting Pronouncements (continued)**

- I. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a disclosure of the description of the programs or other activities in which they were used.
- II. The Policy, if any, about monetizing rather than utilizing contributed nonfinancial assets.
- III. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
- IV. A description of the valuation techniques and inputs used to arrive at fair value measure, at initial recognition.
- V. The principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by donor-imposed restriction from selling or using the contributed financial assets.

The requirements of ASU 2020-07 are effective for the Organization's year ending December 31, 2022.

**Note 2 ~ Cash and Investments**

The Organization maintains cash accounts, including savings, at various financial institutions. There is also an investment account held at a brokerage firm whom maintains the investments.

Cash and investments are comprised of the following as of December 31:

	<u>Cost Basis</u>	<u>Value</u>
Cash and cash equivalents	\$512,688	\$512,688
Mutual funds held by Brokerage firm	<u>146,822</u>	<u>183,840</u>
Total cash and investments	<u>\$659,510</u>	<u>\$696,528</u>

The Organization reflects the investments that are publicly traded with readily determinable fair values in the statement of financial position. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. The investments that are publicly traded are classified at the Level 1 category, unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted and restricted investments. Market risk could occur and is dependent on future changes in market prices of the various investments held.

Unrealized gains and losses are included in the statement of activities. Realized gains and losses on sales of investments are determined on the specific identification basis.

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 2 ~ Cash and Investments (continued)**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same amounts shown in the statement of cash flows as of December 31:

Cash and cash equivalents	\$458,773
Restricted cash ~ board designated; endowment; program	<u>53,915</u>
Total cash, cash equivalents and restricted cash	<u>\$512,688</u>

**Master Friends Agreement**

In 2016 a “Master Friends Agreement” was consummated between Cornerstones Community Partnerships and the Vanishing Treasures Program (“VT”) (aka National Park Service) extending from January 1, 2016 to December 31, 2020, with an option to extend for an additional two years by mutual agreement. This is a “collaborative arrangement” and serves to obtain funding for projects directed at preservation of VT resources, to conduct workshops and field schools to teach historic preservation and traditional and contemporary construction techniques, and to support the VT staff with technical assistance.

Per the agreement, all funds will be received by Cornerstones Community Partnerships through either donations and/or program fees for workshops. Other conditions include, but are not limited to disbursement of funds to be approved by the VT Manager; a separate bank account to be established for the activity; an accounting detail consistently maintained by the Organization; and a fee not to exceed 20% of the funds received for the year to be remitted to the Organization.

The detail of activity is comprised of the following:

Cash restricted December 31, 2019	\$11,799
Expenses 2020	<u>(4,640)</u>
Cash restricted December 31, 2020	<u>\$7,159</u>

**Note 3 ~ Projects In-Process**

The Organization receives program support for specific projects both directly and from third parties to work in partnership with local communities. Active program support, both billed and unbilled, as of December 31 are as follows:

Receivable to be paid within 12 months	<u>\$7,653</u>
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**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 4 ~ Property and Equipment**

Property and equipment consists of the following at December 31:

Equipment	\$94,477
Less accumulated depreciation	<u>(93,188)</u>
Net	<u>\$1,289</u>

Depreciation expense for the year ended December 31, 2020 was \$761.

**Note 5 ~ Compensated Absences**

All eligible employees receive vacation compensation totaling 80 hours in total each year. The vacation compensation expires as of December 31, therefore, no liability for compensated absences is reflected.

**Note 6 ~ Net Assets**

**Without donor restriction**

The Organization has designated funds with the intent to establish a permanent corpus to generate income for the operating needs of the Organization at the Board's discretion. In 2017, it was determined that 10% of all unrestricted donations of \$5,000 or more would be allocated to this endowment. Per the investment policy, the Board, with a 75% affirmative vote, may change the terms or dissolve the endowment in order to fund emergency shortfalls for operations.

Without donor restriction consist of the following at December 31:

Undesignated	\$477,684
Board designated for endowment	<u>124,125</u>
Total without donor restrictions	<u>\$601,809</u>

**With donor restriction**

**Purpose and time restricted**

The donor restricted net assets relate to gifts, unconditional promises to give and project support outstanding but for which restrictions and/or stipulations have not been met. Cornerstones Community Partnerships has various projects with this restriction that have been identified in this manner.

With donor restriction consist of the following at December 31:

Programs currently in-process	\$9,056
Future programs in which funds have been received	<u>65,300</u>
Total restricted - programs	<u>\$74,356</u>

Matching grant funds received by the Organization in 2020 totaling \$5,000. The conditions for the match have not been met as of December 31, 2020.

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 6 ~ Net Assets (continued)**

**Endowment**

**Endowment earnings**

The restricted investment activity as of December 31 is as follows:

Beginning balance	\$4,620
Gain on investments	2,856
Investment earnings	<u>903</u>
Total restricted – endowment earnings	<u>\$8,379</u>

**Endowment perpetual**

The restricted endowment principal as of December 31 is as follows:

Beginning balance	\$21,235
Contributions received	<u>2,500</u>
Total permanently restricted	<u>\$23,735</u>

The investment includes both donor restricted funds and board restricted funds. The investment activity for 2020 for the donor restricted funds was recorded based on an allocation method. The investment activity is recorded as restricted until the funds are appropriated for expenditure.

**Note 7 ~ Endowment Fund**

The Organization's endowment includes both donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's investment and spending policies follow the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted, through the investment policy, as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds. As a result of this interpretation, the Organization classifies as donor restricted (permanently restricted) net assets (a) the original value of gifts donated to the endowment, and (b) the original value of subsequent gifts to the endowment. The remaining portion of the donor restricted endowment fund is classified as donor restricted net assets until those amounts are appropriated for expenditure by the Board of Directors.

**CORNERSTONES COMMUNITY PARTNERSHIPS**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**Note 7 ~ Endowment Fund (continued)**

In accordance with the investment policy, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the funds
- The purposes of the donor restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization, and
- The Organization's investment policies

*Investment Return Objectives, Risk Parameters and Strategies.* The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution. Under the Organization's policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriately weighted benchmark, while assuming an acceptable level of investment risk. Actual returns in any given year may vary from expectations. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes; and strategies managed to prevent exposing the fund to unacceptable levels of risk.

The Organization has a policy of appropriating for distribution each year 3% of its endowment funds' average fair value of the three prior years. The Organization expects the current spending policy to allow its endowment funds to grow and is consistent with its objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and the investment returns. The Organization did not take a distribution in 2020.

The following are changes in the total endowment for the year ending December 31:

Beginning balance	\$25,855
Contributions	2,500
Investment activities, net	<u>3,759</u>
Total endowment, end of year	<u>\$32,114</u>

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 8 ~ Commitments and Contingencies**

**With Donor Restriction Grants** – Various donor restricted grants contain conditions that require the Organization to meet certain requirements that, if not met, could require the Organization to refund the amounts received to the granting entity. The Organization carefully monitors grant requirements and believes it has met all such conditions. This includes the matching requirements for specific grants as identified in the grant agreements.

**Leases:**

**Office Lease**

The Organization has a lease agreement for office space occupied that extends indefinitely with annual increases of \$600 (\$50 per month). As of December 31, 2020 the commitment for the next five years is as follows:

Year ending December 31, 2021	Total \$18,300
Year ending December 31, 2022	Total \$18,900
Year ending December 31, 2023	Total \$19,500
Year ending December 31, 2024	Total \$20,100
Year ending December 31, 2025	Total \$20,700

**Equipment Lease**

The Organization has a lease agreement for a copier beginning January 31, 2018 for a period of 5 years. The lease identifies minimum payments of \$320 per month. As of December 31, 2020 the commitment is as follows remaining term of the lease:

Year ending December 31, 2021	Total \$3,840
Year ending December 31, 2022	Total \$3,840

**Note 9 ~ Gifts In-Kind and Donated Services**

Gifts in-kind are recorded at market value on the date of donation. The in-kind donations result in an increase in contributions with a corresponding increase in either expenses or non-current assets in the accompanying statement of activities and financial position. The contributions are recorded as donor unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The total donated *goods* as of December 31, 2020 were \$455 and were used towards general operating.



**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 10 ~ Liquidity**

The Organization's financial assets available to meet cash needs for general expenditures within one year of the date of the statement of financial position include:

Financial assets available at year end:	
Cash, cash equivalents and investments	\$696,528
Projects in-process receivable	<u>7,653</u>
Total financial assets available	<u>704,181</u>
Less amounts not available to be used within one year:	
Subject to appropriation and satisfaction of donor restrictions	(74,356)
Donor-restricted endowment	(23,735)
Board designated endowment	<u>(124,125)</u>
Total amounts not available to be used	<u>(222,216)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$481,965</u>

The board designated endowment established by the governing board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. These amounts have been set aside for long-term investing in the quasi-endowment and may be drawn upon if the governing board approves the action.

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and operating with a balanced budget and anticipating collecting sufficient revenue and/or support to cover general expenditures not covered by donor-restricted resources.

**Note 11 ~ Related Parties**

Cornerstones Community Partnership's board members made contributions to the Organization which aggregated \$33,395 for the year ended December 31, 2020.

**Note 12 ~ Concentration of Credit Risk**

Financial instruments, which potentially subject Cornerstones Community Partnerships to concentration of credit risk, consist primarily of cash. At times, the Organization has cash deposits at financial institutions which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits.

**Note 13 ~ Subsequent Events**

Generally accepted accounting principles require that subsequent events be evaluated after the calendar year end. For purposes of these financial statements, subsequent events have been evaluated through July 1, 2021, the date the financial statements were available to be issued.

**CORNERSTONES COMMUNITY PARTNERSHIPS**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 14 ~ Covid-19 Pandemic**

Economic uncertainties have arisen as a result of the worldwide spread of the COVID-19 coronavirus which have impacted the Organization. This specifically relates to contracts which required performance at National Parks, which were closed during the pandemic. During the last quarter of 2020, the Organization was able to begin work at various National Parks. The financial statements do not include any adjustments that may result from the outcome of this uncertainty.

During 2020, the Organization initiated a program to assist communities with support during the pandemic. This program focused on partners with needs during this trying time. A total of \$49,776 was provided as support in this regard.