MACDOWELL

Consolidated Financial Statements and Supplementary Information
For the Year Ended December 31, 2020

(With Independent Auditors' Report Thereon)

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7
SUPPLEMENTARY INFORMATION:	
Consolidating Statement of Financial Position	25
Consolidating Statement of Activities	26

MELANSON

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MacDowell

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MacDowell (the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonable-

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ness 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 opinion.

Opinion

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information appearing on pages 25 and 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited MacDowell's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Melanson

Merrimack, New Hampshire
July 6, 2021

MACDOWELL

Consolidated Statement of Financial Position
December 31, 2020
(with comparative totals as of December 31, 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 849,849	$ -	$ 849,849	$ 846,885
Accounts receivable	4,036	-	4,036	5,357
Contributions receivable, in less than one year	18,300	174,000	192,300	162,938
Other assets	428,835	150,000	578,835	571,392
Total Current Assets	1,301,020	324,000	1,625,020	1,586,572
Noncurrent Assets:				
Contributions receivable, in more than one year	-	-	-	17,000
Investments	13,398,891	27,659,132	41,058,023	40,034,359
Property and equipment, net	10,084,963	-	10,084,963	10,832,880
Total Noncurrent Assets	23,483,854	27,659,132	51,142,986	50,884,239
Total Assets	$ 24,784,874	$ 27,983,132	$ 52,768,006	$ 52,470,811
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	$ 127,630	$ -	$ 127,630	$ 231,767
Accrued liabilities	84,100	-	84,100	102,598
Refundable advances	45,965	-	45,965	62,540
Current portion of mortgage payable	74,405	-	74,405	71,589
Total Current Liabilities	332,100	-	332,100	468,494
Noncurrent Liabilities:				
Mortgage payable, net of current portion	2,203,196	-	2,203,196	2,277,601
Other liabilities	3,626	-	3,626	3,626
Total Noncurrent Liabilities	2,206,822	-	2,206,822	2,281,227
Total Liabilities	2,538,922	-	2,538,922	2,749,721
Net Assets:				
Without donor restrictions:				
Undesignated	20,023,826	-	20,023,826	20,801,358
Board-designated	2,222,126	-	2,222,126	2,167,930
With donor restrictions:				
Time or purpose restricted	-	13,107,697	13,107,697	12,261,634
Perpetual in nature - income unrestricted	-	4,131,320	4,131,320	4,130,578
Perpetual in nature - income restricted	-	10,744,115	10,744,115	10,359,590
Total Net Assets	22,245,952	27,983,132	50,229,084	49,721,090
Total Liabilities and Net Assets	$ 24,784,874	$ 27,983,132	$ 52,768,006	$ 52,470,811

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

MACDOWELL

Consolidated Statement of Activities
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
SUPPORT AND REVENUE				
Contributions:				
Individuals	$ 540,620	$ 245,485	$ 786,105	$ 3,035,385
Foundations	393,335	388,961	782,296	924,902
Corporations	-	25,000	25,000	50,000
Bequests	387,098	449	387,547	804,488
Government grants	30,000	-	30,000	35,000
Paycheck Protection Program (PPP) grant	433,800	-	433,800	-
In-kind contributions	212,536	-	212,536	567,067
Special Events:				
National benefit	462,094	-	462,094	473,197
Medal Day	60,331	-	60,331	82,621
Other special events	6,225	-	6,225	106,491
Less cost of direct benefits to donors	(49,460)	-	(49,460)	(218,785)
Net special events revenue	479,190	-	479,190	443,524
Other Income:				
Loss on sale of assets	(158,147)	-	(158,147)	(233,769)
Application fees	25,369	-	25,369	58,899
Other	77,250	-	77,250	77,252
Interest income	783	-	783	1,161
Net Assets Released From Restrictions	967,914	(967,914)	-	-
Total Support and Revenue	3,389,748	(308,019)	3,081,729	5,763,909
EXPENSES				
Program	2,773,243	-	2,773,243	3,188,838
Management and general	1,216,312	-	1,216,312	1,003,689
Fundraising	947,774	-	947,774	972,521
Total Expenses	4,937,329	-	4,937,329	5,165,048
Change in Net Assets Before Net Investment Return	(1,547,581)	(308,019)	(1,855,600)	598,861
RETURN ON INVESTMENTS				
Interest and dividends	247,439	565,385	812,824	1,058,125
Unrealized gain (loss) on investments	(81,332)	664,072	582,740	6,187,609
Realized gain on investments	343,017	727,807	1,070,824	1,121,142
Investment expense	(102,794)	-	(102,794)	(97,123)
Total Return on Investments	406,330	1,957,264	2,363,594	8,269,753
Reclassification of Investment Return Based on Donor Restrictions	417,915	(417,915)	-	-
Net Investment Return	824,245	1,539,349	2,363,594	8,269,753
Change in Net Assets	(723,336)	1,231,330	507,994	8,868,614
Net Assets, Beginning of Year	22,969,288	26,751,802	49,721,090	40,852,476
Net Assets, End of Year	$ 22,245,952	$ 27,983,132	$ 50,229,084	$ 49,721,090

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

MACDOWELL

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020				
	Program	Management and General	Fundraising	2020 Total	2019 Total
Personnel expense:					
Salaries and wages	$ 1,241,060	$ 456,338	$ 611,747	$ 2,309,145	$ 2,254,342
Payroll taxes	91,359	32,267	43,642	167,268	167,335
Employee benefits	249,344	32,401	57,690	339,435	328,696
Retirement benefits	114,084	35,673	52,535	202,292	192,228
Subtotal personnel expense	1,695,847	556,679	765,614	3,018,140	2,942,601
Artist financial aid	68,800	-	-	68,800	118,366
Conferences and meetings	1,427	16,567	1,157	19,151	15,360
Depreciation	412,094	134,298	47,486	593,878	586,510
Equipment and furnishings	37,858	830	467	39,155	121,573
Event catering and venue costs	1,941	2,597	15,948	20,486	170,346
Food	32,748	-	-	32,748	139,194
Information technology	27,824	24,167	35,552	87,543	107,597
Insurance	70,979	23,065	4,242	98,286	99,881
Interest	12,968	47,853	21,613	82,434	95,815
Miscellaneous	846	4,836	3,795	9,477	45,303
Occupancy and utilities	151,287	35,592	11,655	198,534	211,146
Office	5,788	42,885	11,723	60,396	79,913
Panelist honorariums	24,900	-	-	24,900	59,850
Printing and mailing	30,026	6,457	5,399	41,882	67,555
Professional fees and contract services	47,831	292,366	68,478	408,675	190,094
Repairs and maintenance	78,615	3,555	-	82,170	139,034
Supplies	13,965	2,213	752	16,930	36,722
Taxes	-	18,295	-	18,295	16,057
Travel	57,499	4,057	3,353	64,909	140,916
Total expenses by function	2,773,243	1,216,312	997,234	4,986,789	5,383,833
Less expenses included on the Statement of Activities for the cost of direct benefits to donors	-	-	(49,460)	(49,460)	(218,785)
Total Functional Expenses	$ 2,773,243	$ 1,216,312	$ 947,774	$ 4,937,329	$ 5,165,048

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

MACDOWELL

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020	2019
Cash Flows From Operating Activities:		
Change in net assets	$ 507,994	$ 8,868,614
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	593,878	586,510
Loss on disposal of property and equipment	158,147	233,769
Unrealized gain on investments	(582,740)	(6,187,609)
Realized gain on investments	(1,070,824)	(1,121,142)
Restricted contributions	(384,859)	(2,843,600)
Donated property and equipment	-	(275,000)
(Increase) Decrease In:		
Accounts receivable	1,321	(1,178)
Contributions receivable	(12,362)	10,391
Other assets	(7,443)	(268,092)
Increase (Decrease) In:		
Accounts payable	(104,137)	141,519
Accrued liabilities	(18,498)	19,191
Other liabilities	-	(1,814)
Refundable advances	(16,575)	62,540
Net Cash Used By Operating Activities	(936,098)	(775,901)
Cash Flows From Investing Activities:		
Purchase of investments	(1,146,093)	(4,001,771)
Proceeds from sales of investments	1,775,994	3,019,322
Purchases of property and equipment	(134,134)	(381,558)
Proceeds from sale of property and equipment	130,025	-
Net Cash Provided (Used) By Investing Activities	625,792	(1,364,007)
Cash Flows From Financing Activities:		
Principal payments on line of credit	-	(445,000)
Principal payments on mortgage	(71,589)	(69,322)
Proceeds from restricted contributions	384,859	2,843,600
Net Cash Provided By Financing Activities	313,270	2,329,278
Net Change in Cash and Cash Equivalents	2,964	189,370
Cash and Cash Equivalents, Beginning	846,885	657,515
Cash and Cash Equivalents, Ending	$ 849,849	$ 846,885
Supplemental Disclosures:		
Interest paid	$ 82,434	$ 95,815

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

1. Organization

The mission of MacDowell (the Organization) is to support and promote the arts of music, literature, drama, architecture, painting, sculpture, and other fine arts. The Organization supports the creation of new works of art by providing residencies of up to 2 months to approximately 300 creative individuals of the highest talent selected from the widest possible range of perspective and demographics. The Organization's facilities include 31 independent studios and 13 support buildings on a 450-acre property in Peterborough, New Hampshire, and a 4,000 square foot office and event space in the Chelsea arts neighborhood of Manhattan. In New Hampshire, the Organization strives to accelerate and fortify artistic creativity by offering artists chosen through peer-panel review uninterrupted time and seclusion within a diverse community of artists. Through educational and community engagement programs, publications, presentations and other activities, the Organization increases understanding and appreciation of the arts while extending public appreciation of its value to society.

In 2020, the Organization's board and staff embarked on a coordinated, wide-ranging exploration of diversity, equity, inclusion, and access as principles intertwined with its residency programs, operations, and governance. Also in 2020, the Organization changed its legal name from "The MacDowell Colony Inc." to "Marian and Edward MacDowell Inc.". Beyond the legal name change, the Organization will continue to identify itself simply as "MacDowell".

2. Summary of Significant Accounting Policies

The following is a summary of significant account policies used in preparing and presenting the accompanying consolidated financial statements.

Principles of Consolidation
During fiscal year 2012, the Organization formed New High Street, LLC, a New Hampshire Limited Liability Company, for the sole purpose of acquiring certain real estate located adjacent to its facility (see Note 17). The Organization is the sole member of New High Street, LLC.

The accompanying consolidated financial statements include the accounts of MacDowell and its wholly owned limited liability company, New High Street, LLC. All material inter-organization transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated organizations are hereinafter referred to as "the Organization".

Comparative Financial Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments invested for long-term purposes, including endowments that are perpetual in nature, are excluded from this definition.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectible accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. Management has determined that no allowance is necessary.

Contributions Receivable

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions revenue in the Consolidated Statement of Activities. The allowance for uncollectible contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. Management has determined that no allowance is necessary.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statement of Financial Position. Net investment return/(loss) is reported in the Consolidated Statement of Activities and consists of interest and dividends, realized and unrealized gains and losses, less external investment expenses.

The Organization utilizes a pooled-investment-fund basis of managing its investments. Unless otherwise restricted by the donor, investment income and realized and unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions. Investment gains, losses, and income are allocated to donor-restricted funds based on their proportionate share of the pooled investments. Investment losses on donor-restricted assets will not reduce the value of said assets below the historical value of the original gift. Any excess loss will reduce certain net assets with donor restrictions to the extent that donor-imposed restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining loss will reduce net assets without donor restrictions.

Property and Equipment

Property and equipment additions over $1,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Consolidated Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Assets not in service are not depreciated.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in 2020 or 2019.

Net Assets

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. The Board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Organization to expend income generated in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition
The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barriers and a right of return – are not recognized until the conditions on which they depend have been substantially met. Amounts received in advance are reported as refundable advances in the Statement of Financial Position.

The Organization has established a planned giving program to acknowledge donors who have indicated they have included the Organization in their estate plans. These conditional pledges are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met, and consist of bequests and gifts of life insurance proceeds.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue is recognized equal to the fair value of direct benefits to donors when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

Revenues from application fees is recognized when the performance obligations of reviewing artist's applications are performed. Application fees paid in advance are deferred to the period to which the review is performed. Payment is required at the time the application is submitted and is recorded as a contract liability until the performance obligation is met.

Donated Services and In-Kind Contributions
The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated works of art are recognized as an asset at estimated fair value at the date of gift, whereas they are not part of a collection. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Functional Allocation of Expenses
The costs of providing the Organization's program and supporting services activities have been summarized on a functional basis in the Consolidated Statement of Activities. The Consolidated Statement of Functional Expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Expenses that are allocated include occupancy and utilities, repairs and maintenance, depreciation, certain insurances, and interest, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, and certain insurances, which are allocated on the basis of estimates of time and effort.

Measure of Operations
The Organization reports as the change in net assets before net investment return all program, administrative, and fundraising activity, excluding investment return and the reclassification of the investment return based on donor restrictions.

Income Taxes
The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In 2020 and 2019, the Organization was subject to unrelated business income tax and did file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates
The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk
Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals and organizations supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Investment Committee believes that its investment policies and guidelines are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures
Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

New Accounting Standards to be Adopted in the Future

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. Examples of contributed nonfinancial assets include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities; materials and supplies, such as food, clothing, or pharmaceuticals; intangible assets; and recognized contributed services. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from contributions of cash or other financial assets. It also requires certain disclosures for each category of contributed nonfinancial assets recognized. The amendments in this ASU should be applied on a retrospective basis and will be effective for the Organization for the year ending December 31, 2022. Early adoption is permitted. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the Statement of Financial Position at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the Statement of Activities. This ASU will be effective for the Organization for the year ending December 31, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Consolidated Statement of Financial Position, are comprised of the following at December 31, 2020 and 2019:

	2020		2019	
Financial assets at year end:				
Cash and cash equivalents		$ 849,849		$ 846,885
Accounts receivable		4,036		5,357
Contributions receivable		192,300		179,938
Investments		41,058,023		40,034,359
Total financial assets		42,104,208		41,066,539
Less amounts not available to be used within one year:				
Net assets with donor restrictions	27,983,132		26,751,802	
Less:				
Other current assets not available for spending	(150,000)		(150,000)	
Net assets with purpose restrictions to be met in less than one year	(240,085)		(302,104)	
Donor-restricted endowment subject to spending policy rate (5%) and appropriation	(1,437,740)		(995,693)	
		26,155,307		25,304,005
Board-designated endowment	2,222,126		2,167,930	
Less: Board-designated endowment annual spending policy rate (5.0% of 36-month average fund value)	(92,690)		(90,611)	
		2,129,436		2,077,319
Receivables to be collected in more than one year		-		17,000
Total amounts not available to be used within one year		28,284,743		27,398,324
Financial assets available to meet general expenditures over the next year		$ 13,819,465		$ 13,668,215

Endowment funds consist of donor-restricted endowments and funds designated by the Board to function as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. The portion of endowment funds that are perpetual in nature are not available for general expenditure.

The board-designated endowment is subject to an annual spending rate as determined by the Board, as described in Note 9. Although there is no intention to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of the Organization's liquidity management plan, the Organization also has a $5,000,000 revolving line of credit available to meet cash flow needs.

4. Contributions Receivable

Unconditional contributions receivable are estimated to be collected as follows at December 31, 2020 and 2019:

	2020	2019
Receivable in less than one year	$ 192,300	$ 162,938
Receivable in one to five years	-	17,000
Total	$ 192,300	$ 179,938

Discount to net present value has not been recorded at December 31, 2020 and 2019, as it has been determined to be immaterial.

5. Investments

Investments, measured at fair value on a recurring basis and categorized in the fair value hierarchy as Level 1, consist of the following at December 31, 2020 and 2019:

Investment Type	2020	2019
Mutual funds:		
Stock funds, domestic	$ 9,846,671	$ 7,973,518
Stock funds, international	2,565,888	5,217,041
Short-term bond fund	120,204	116,934
High-yield bond fund	5,310,348	5,039,003
Money market funds	3,344,251	2,807,590
Common stock	19,101,691	18,416,885
Federated U.S. treasury cash	768,970	463,388
Total	$ 41,058,023	$ 40,034,359

As of December 31, 2020 and 2019, the Organization recognized $582,740 and $6,187,609, respectively, of unrealized gains and losses on investments on equity securities.

6. Property, Equipment, and Depreciation

Property and equipment is comprised of the following at December 31, 2020 and 2019:

	2020	2019
Land improvements	$ 1,082,015	$ 1,081,600
Land	104,996	104,996
Building and building improvements	15,595,831	15,765,838
Equipment	775,150	774,908
Vehicles	279,681	274,238
Assets not being depreciated	59,100	59,100
Construction in progress	206,600	206,600
Subtotal	18,103,373	18,267,280
Less accumulated depreciation	(8,018,410)	(7,434,400)
Total	$ 10,084,963	$ 10,832,880

Depreciation expense totaled $593,878 and $586,510 for the years ended December 31, 2020 and December 31, 2019, respectively.

7. Line of Credit

In 2015, the Organization obtained a $5 million revolving line of credit. Proceeds from drawdowns were used to fund the purchase and improvement of 521 West 23rd Street, New York, NY. Drawdowns from the line of credit are due on demand. In addition, accrued interest on the unpaid drawn down principal amount is payable monthly commencing one month after any drawdown from the line of credit. Interest on any outstanding principal will accrue at an annual rate equal to the three month LIBOR annual rate plus 1.75%. The line of credit is collateralized by securities held by the lender in the Organization's investment account. At December 31, 2020 and 2019, the balance on the line of credit was zero.

8. Mortgage Payable

In 2016, the Organization purchased a second floor unit in the Artist's Condominium building, located at 521 West 23rd Street, New York, NY for the purchase price of $5.1 million. The Organization financed the building through a 25 year, $2,550,000 mortgage. Interest accrues at an initial rate of 3.500% until December 2, 2021, and then will accrue at the one month LIBOR rate plus 2.8%. Principal and interest is payable monthly in arrears, in equal monthly installments during the term of the loan based on an amortization of 25 years, with a loan maturity of 10 years. The Organization may repay the loan in whole or in part after the fourth anniversary of the loan without penalty. The mortgage is secured by real and personal property located at 521 West 23rd Street, New York, NY.

The following is a summary of future payments on the mortgage payable:

Year	Principal	Interest	Total
2021	$ 74,405	$ 79,617	$ 154,022
2022	77,088	76,934	154,022
2023	79,869	74,153	154,022
2024	82,547	71,475	154,022
2025	86,112	67,910	154,022
Thereafter	1,877,580	586,094	2,463,674
Total	$ 2,277,601	$ 956,183	$ 3,233,784

This mortgage is also subject to certain annual financial covenants. Minimum unrestricted liquid assets of $7 million and a loan-to-value ratio of 50% or less is required. As of December 31, 2020 and 2019, the Organization has met all covenants.

9. Endowment Funds

The Organization's endowment consists of various individual funds established for a variety of purposes. The 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.

Board-designated Endowment

As of December 31, 2020 and 2019, the Board of Directors had designated $2,222,126 and $2,167,930, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since that amount results from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Donor-designated Endowment

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 that is not classified as perpetually restricted is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) the Organization's investment policies.

Investment Policy

The Organization's Board of Directors has adopted investment and spending policies for endowment assets that 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 with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy of appropriating for distribution each year 5% of its investment assets' average fair value of the prior 12 quarters through the calendar year-end preceding the year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects to preserve the corpus of the endowment and allow for growth sufficient enough to support the Organization's annual spending policy. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature are restored from net assets without donor restrictions, depending on donor stipulations. These deficiencies result from unfavorable market fluctuations that occur causing the original donor restricted contribution, plus accumulated investment earnings that, in accordance with donor stipulations, are required to be added to the original contribution, to fall below the accumulated balances. Donor stipulations for perpetually restricted-income restricted funds require the reclassification of realized and unrealized earnings to purpose-restricted net assets. Based on donor stipulations, there are no donor-restricted funds in deficit.

Changes in Endowment Net Assets

Endowment net asset composition by type and changes in endowment net assets for the year ended December 31, 2020 are as follows:

	Without Donor Restrictions			With Donor Restrictions			
	Undesignated	Board Designated	Total Without Donor Restrictions	Time or Purpose Restricted	Perpetually Restricted	Total With Donor Restrictions	Total Net Endowment Assets
Beginning of year	$ 11,381,427	$ 2,167,930	$ 13,549,357	$ 12,144,834	$ 14,340,168	$ 26,485,002	$ 40,034,359
Investment earnings, net	258,480	147,850	406,330	633,127	1,324,137	1,957,264	2,363,594
Reclassification of investment return	417,915	-	417,915	905,814	(1,323,729)	(417,915)	-
Support/contributions added to endowment	191,698	-	191,698	-	141,575	141,575	333,273
Appropriations from endowment	(1,072,755)	(93,654)	(1,166,409)	(625,078)	118,284	(506,794)	(1,673,203)
End of year	$ 11,176,765	$ 2,222,126	$ 13,398,891	$ 13,058,697	$ 14,600,435	$ 27,659,132	$ 41,058,023

Endowment net asset composition by type and changes in endowment net assets for the year ended December 31, 2019 are as follows:

	Without Donor Restrictions			With Donor Restrictions			
	Undesignated	Board Designated	Total Without Donor Restrictions	Time or Purpose Restricted	Perpetually Restricted	Total With Donor Restrictions	Total Net Endowment Assets
Beginning of year	$ 10,363,832	$ 1,654,398	$ 12,018,230	$ 8,228,969	$ 11,495,960	$ 19,724,929	$ 31,743,159
Investment earnings, net	2,416,666	438,568	2,855,234	2,372,634	3,041,885	5,414,519	8,269,753
Reclassification of investment return	1,067,900	-	1,067,900	1,973,377	(3,041,277)	(1,067,900)	-
Transfer to board-designated	(167,250)	167,250	-	-	-	-	-
Support/contributions added to endowment	193,601	-	193,601	77,244	2,672,800	2,750,044	2,943,645
Appropriations from endowment	(2,493,322)	(92,286)	(2,585,608)	(507,390)	170,800	(336,590)	(2,922,198)
End of year	$ 11,381,427	$ 2,167,930	$ 13,549,357	$ 12,144,834	$ 14,340,168	$ 26,485,002	$ 40,034,359

10. Net Assets

Board-designated Net Assets

Net assets without donor restrictions include board-designated net assets, which are comprised of the following at December 31, 2020 and 2019:

	2020	2019
Building and equipment reserve	$ 2,043,470	$ 2,000,680
Chabon fellowship fund	178,656	167,250
Total	$ 2,222,126	$ 2,167,930

Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of the following at December 31, 2020 and 2019:

	2020	2019
Time and purpose restricted:		
Subject to expenditure for specific purpose:		
Fellowships, financial aid, and travel grants	$ 425,510	$ 432,885
Renovations and operations	94,026	196,192
	519,536	629,077
Accumulated donor-restricted endowment earnings subject to spending rate policy:		
Fellowships	8,705,182	8,089,022
Fellows' travel	2,125,426	1,962,235
Maintenance	1,436,531	1,323,819
Baldwin library operations and maintenance	321,022	257,481
	12,588,161	11,632,557
Total time and purpose restricted	13,107,697	12,261,634
Perpetual in nature - income unrestricted - original gift unrestricted by donors to support any activities	4,131,320	4,130,578
Perpetual in nature - income restricted - original gift restricted by donors for:		
Fellowships	7,459,990	7,075,465
Fellows' travel	750,000	750,000
Maintenance	534,125	534,125
Baldwin library operations and maintenance	2,000,000	2,000,000
	10,744,115	10,359,590
Total	$ 27,983,132	$ 26,751,802

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or the passage of time or other events specified by the donors as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Satisfaction of purpose restrictions:		
Fellowships, financial aid, and travel grants	$ 274,025	$ 299,389
Renovations and operations	110,552	180,201
	384,577	479,590
Restricted purpose spending-rate distributions and appropriations from endowment:		
Fellowships	445,792	558,624
Fellows' travel	26,289	41,637
Maintenance	17,086	30,672
Baldwin library	94,170	-
	583,337	630,933
Total	$ 967,914	$ 1,110,523

11. Special Events, Net

Special events activities for the years ended December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Income from special events:		
National benefit	$ 462,094	$ 473,197
Medal Day	60,331	82,621
Other special events	6,225	106,491
	528,650	662,309
Costs of direct benefits to donors	(49,460)	(218,785)
Net special event revenue	479,190	443,524
Program event costs	(23,841)	(82,291)
Fundraising event other costs	(34,946)	(59,325)
Special events, net	$ 420,403	$ 301,908

12. Paycheck Protection Program (PPP)

On April 8, 2020, the Organization received loan proceeds in the amount of $433,800 under the Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020, provided for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expense. The loan and accrued interest may be forgiven after twenty-four weeks providing the Organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains certain payroll levels. The Organization used the proceeds for purposes consistent with the PPP requirements. The Organization has applied the conditional contribution model as described in FASB ASC 958-605 to recognize PPP loan proceeds as contribution income as the PPP loan conditions were substantially met by incurring qualifying expenses and other PPP loan requirements. As of December 31, 2020, the Organization has recognized the entire amount of the PPP loan as contribution income. Subsequent to year-end, the Organization was approved by the SBA for 100% forgiveness of the PPP loan.

13. Defined Contribution Plan

The Organization provides benefits for substantially all employees through the Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF). The TIAA/CREF retirement system is a defined contribution plan whereby monthly contributions by the Organization are applied to individual annuities owned and controlled by each participating employee. The Organization’s contributions to TIAA/CREF were $202,292 and $192,228 for the years ended December 31, 2020 and December 31, 2019, respectively.

14. New Hampshire Charitable Foundation

The Organization is the beneficiary of a designated fund at the New Hampshire Charitable Foundation (the Foundation). Pursuant to the terms of the resolution establishing this fund, certain property contributed to the Foundation is held as a separate fund designated for the benefit of the Organization (the Fund). In accordance with its spending policy, the Foundation makes distributions from the Fund to the Organization. Since all property in the Fund was contributed to the New Hampshire Charitable Foundation to be held and administered for the benefit of the Organization, the Fund is not included in these consolidated financial statements.

Distributions to the Organization from the Fund totaled $77,832 and $77,718 for the years ended December 31, 2020 and December 31, 2019, respectively. The market value of fund assets was $2,243,711 and $2,072,439 as of December 31, 2020 and 2019, respectively.

15. Related Party Transactions

During 2020 and 2019, the Organization entered into various transactions with members of the Board. All transactions were reviewed and approved by the Board and performed in accordance with conflict of interest guidelines established by the New Hampshire Attorney General's Office.

16. Concentration of Risk

The Organization is supported by philanthropic contributions from the public. For the year ended December 31, 2020, a single contributor provided 12% of the Organization's operating revenue; for the year ended December 31, 2019, a different individual contributed 35% of the Organization's operating revenue.

17. New High Street, LLC

During fiscal year 2012, the Organization formed a New Hampshire Limited Liability Company, New High Street, LLC, to acquire land and buildings adjacent to the Organization's property. The 38-acre parcel gifted to the Peterborough Golf Association in 1900 by Edward MacDowell has been operated as a public golf course by the Monadnock Country Club (the Club), a nonprofit social club. Owing to financial difficulties, the Club sought to sell the property to an entity that would welcome the Club's continued operation. To facilitate the purchase and distinguish it from Organization programs, New High Street, LLC purchased the property and negotiated a multi-year lease with Monadnock Country Club for its continued operation of the property as a public golf course. In October 2016, the Monadnock Country Club closed operations and terminated the lease with New High Street, LLC. In April 2017, a lease was signed with Hilltop Golf Course, LLC to reopen golf course operations. In April 2020, the lease was renewed for an additional one-year term.

18. Commitments and Contingencies

COVID-19

The global COVID-19 pandemic generated a wave of economic uncertainties that continue to reverberate throughout the U.S. and abroad. The residency program was forced to temporarily close in March and by early May the board voted to sustain staff wages for all employees through the end of calendar year 2020 regardless of program closure. During those same months of April and May, the Organization repurposed a handful of empty studios to provide short-term housing for frontline workers at the regional hospital. In August, the Organization piloted a virtual residency program to help sustain a small pool of artistic community even while the individual artists were living in isolation. The Organization's fundraising events were successfully converted from in-person to virtual events, and by late October, the residency program was reopened at half capacity thanks to a set of safety protocols designed to protect staff and artists alike. Although current economic indicators are moving in a positive direction, the extent to which the pandemic might impact the organization's long-term financial position and operational capacity remains unclear.

19. Subsequent Events

Subsequent events have been evaluated through July 6, 2021, the date the consolidated financial statements were available to be issued.

MACDOWELL

Consolidating Statement of Financial Position
December 31, 2020

	MacDowell	New High Street, LLC	Total	Eliminations	Consolidated
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 822,440	$ 27,409	$ 849,849	$ -	$ 849,849
Accounts receivable	-	4,036	4,036	-	4,036
Contributions receivable, in less than one year	192,300	-	192,300	-	192,300
Other assets	577,142	1,693	578,835	-	578,835
Total Current Assets	1,591,882	33,138	1,625,020	-	1,625,020
Noncurrent Assets:					
Investments	41,058,023	-	41,058,023	-	41,058,023
Investment in New High Street, LLC	426,432	-	426,432	(426,432)	-
Property and equipment, net	9,745,555	339,408	10,084,963	-	10,084,963
Total Noncurrent Assets	51,230,010	339,408	51,569,418	(426,432)	51,142,986
Total Assets	$ 52,821,892	$ 372,546	$ 53,194,438	$ (426,432)	$ 52,768,006
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	$ 127,630	$ -	$ 127,630	$ -	$ 127,630
Accrued liabilities	84,100	-	84,100	-	84,100
Refundable advances	45,965	-	45,965	-	45,965
Current portion of mortgage payable	74,405	-	74,405	-	74,405
Total Current Liabilities	332,100	-	332,100	-	332,100
Noncurrent Liabilities:					
Mortgage payable, net of current portion	2,203,196	-	2,203,196	-	2,203,196
Other liabilities	-	3,626	3,626	-	3,626
Total Noncurrent Liabilities	2,203,196	3,626	2,206,822	-	2,206,822
Total Liabilities	2,535,296	3,626	2,538,922	-	2,538,922
Net Assets:					
Without donor restrictions:					
Undesignated	20,081,338	368,920	20,450,258	(426,432)	20,023,826
Board-designated	2,222,126	-	2,222,126	-	2,222,126
With donor restrictions:					
Time or purpose restricted	13,107,697	-	13,107,697	-	13,107,697
Perpetual in nature - income unrestricted	4,131,320	-	4,131,320	-	4,131,320
Perpetual in nature - income restricted	10,744,115	-	10,744,115	-	10,744,115
Total Net Assets	50,286,596	368,920	50,655,516	(426,432)	50,229,084
Total Liabilities and Net Assets	$ 52,821,892	$ 372,546	$ 53,194,438	$ (426,432)	$ 52,768,006

See Independent Auditors’ Report.

MACDOWELL

Consolidating Statement of Activities
For the Year Ended December 31, 2020

	MacDowell	New High Street, LLC	Total	Eliminations	Consolidated
SUPPORT AND REVENUE					
Contributions:					
Individuals	$ 786,105	$ -	$ 786,105	$ -	$ 786,105
Foundations	782,296	-	782,296	-	782,296
Corporations	25,000	-	25,000	-	25,000
Bequests	387,547	-	387,547	-	387,547
Government grants	30,000	-	30,000	-	30,000
Paycheck Protection Program (PPP) grant	433,800	-	433,800		433,800
In-kind contributions	212,536	-	212,536	-	212,536
Special Events:					
National benefit	462,094	-	462,094	-	462,094
Medal Day	60,331	-	60,331	-	60,331
Other special events	6,225	-	6,225	-	6,225
Less cost of direct benefits to donors	(49,460)	-	(49,460)	-	(49,460)
Net special events revenue	479,190	-	479,190	-	479,190
Other income:					
Loss on sale of assets	(158,147)	-	(158,147)	-	(158,147)
Application fees	25,369	-	25,369	-	25,369
Other	38,093	39,157	77,250	-	77,250
Interest income	783	-	783	-	783
Total Support and Revenue	3,042,572	39,157	3,081,729	-	3,081,729
EXPENSES					
Program	2,773,243	-	2,773,243	-	2,773,243
Management and general	1,183,048	33,264	1,216,312	-	1,216,312
Fundraising	947,774	-	947,774	-	947,774
Total Expenses	4,904,065	33,264	4,937,329	-	4,937,329
Change in Net Assets Before Net Investment Return	(1,861,493)	5,893	(1,855,600)	-	(1,855,600)
RETURN ON INVESTMENT					
Interest and dividends	812,824	-	812,824	-	812,824
Unrealized gain on investments	582,740	-	582,740	-	582,740
Realized gain on investments	1,070,824	-	1,070,824	-	1,070,824
Investment expense	(102,794)	-	(102,794)	-	(102,794)
Total Return on Investments	2,363,594	-	2,363,594	-	2,363,594
Change in Net Assets	502,101	5,893	507,994	-	507,994
Net Assets, Beginning of Year	49,784,495	363,027	50,147,522	(426,432)	49,721,090
Net Assets, End of Year	$ 50,286,596	$ 368,920	$ 50,655,516	$ (426,432)	$ 50,229,084

See Independent Auditors' Report.