

**Catholic Community Foundation of Mid-Michigan**

**Financial Statements**

**December 31, 2019**

**(With Summarized Comparative Information for 2018)**



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## Independent Auditors' Report

Management and the Board of Trustees  
Catholic Community Foundation of Mid-Michigan  
Saginaw, Michigan

We have audited the accompanying financial statements of Catholic Community Foundation of Mid-Michigan which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, 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.

### Auditors' 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 of material misstatement.

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Community Foundation of Mid-Michigan as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the Catholic Community Foundation of Mid-Michigan 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Yeo & Yeo, P.C.*

Saginaw, MI  
May 4, 2020

**Catholic Community Foundation of Mid-Michigan**  
**Statement of Financial Position**  
**December 31, 2019**  
**(With Summarized Comparative Information for 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
<b>Assets</b>				
Current assets				
Cash	\$ 228,584	\$ 353,981	\$ 582,565	\$ 291,874
Promises to give, net of allowance for doubtful accounts	-	143,671	143,671	138,985
Prepaid expenses	117	-	117	50
Total current assets	228,701	497,652	726,353	430,909
Long-term investments	-	30,793,265	30,793,265	26,111,844
Promises to give, net of current portion	-	604,882	604,882	717,456
<b>Total assets</b>	<b>\$ 228,701</b>	<b>\$ 31,895,799</b>	<b>\$ 32,124,500</b>	<b>\$ 27,260,209</b>
<b>Liabilities and net assets</b>				
Current liabilities				
Accounts payable	\$ 7,323	\$ -	\$ 7,323	\$ 83,392
Payroll liabilities	11,315	-	11,315	7,680
Annuity obligations, current portion	-	96,804	96,804	96,804
Total current liabilities	18,638	96,804	115,442	187,876
Annuity obligations, net of current portion	-	53,734	53,734	95,266
Long-term debt	128,000	-	128,000	220,649
Total liabilities	146,638	150,538	297,176	503,791

See Accompanying Notes to the Financial Statements

**Catholic Community Foundation of Mid-Michigan**  
**Statement of Financial Position**  
**December 31, 2019**  
**(With Summarized Comparative Information for 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
Net assets				
Without donor restrictions				
Undesignated (deficit)	\$ 82,063	\$ -	<b>\$ 82,063</b>	(50,487)
With donor restrictions				
Perpetual in nature	-	19,073,116	<b>19,073,116</b>	18,412,966
Purpose restrictions	-	12,074,130	<b>12,074,130</b>	7,729,568
Time-restricted for future periods	-	598,015	<b>598,015</b>	664,371
Total with donor restrictions	-	31,745,261	<b>31,745,261</b>	26,806,905
Total net assets	82,063	31,745,261	<b>31,827,324</b>	26,756,418
<b>Total liabilities and net assets</b>	<b>\$ 228,701</b>	<b>\$ 31,895,799</b>	<b>\$ 32,124,500</b>	<b>\$ 27,260,209</b>

See Accompanying Notes to the Financial Statements

**Catholic Community Foundation of Mid-Michigan**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**  
**(With Summarized Comparative Information for 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
<b>Revenue, support and gains</b>				
Contributions	\$ 132,392	\$ 1,161,929	\$ <b>1,294,321</b>	\$ 849,945
Net investment activity	(78,404)	5,253,112	<b>5,174,708</b>	(1,184,968)
Change in value of split-interest agreements	-	52,334	<b>52,334</b>	48,530
Net assets released from restrictions	<u>1,529,019</u>	<u>(1,529,019)</u>	<u>-</u>	<u>-</u>
Total revenue, support and gains	<u>1,583,007</u>	<u>4,938,356</u>	<u><b>6,521,363</b></u>	<u>(286,493)</u>
<b>Expenses</b>				
Program services				
Grants	1,144,434	-	<b>1,144,434</b>	1,086,042
Other program expenses	144,704	-	<b>144,704</b>	99,876
Management and general	99,486	-	<b>99,486</b>	24,972
Fundraising	<u>61,833</u>	<u>-</u>	<u><b>61,833</b></u>	<u>128,355</u>
Total expenses	<u>1,450,457</u>	<u>-</u>	<u><b>1,450,457</b></u>	<u>1,339,245</u>
<b>Change in net assets</b>	132,550	4,938,356	<b>5,070,906</b>	(1,625,738)
Net assets (deficit) - beginning of year	<u>(50,487)</u>	<u>26,806,905</u>	<u><b>26,756,418</b></u>	<u>28,382,156</u>
<b>Net assets - end of year</b>	<u>\$ 82,063</u>	<u>\$ 31,745,261</u>	<u><b>\$ 31,827,324</b></u>	<u>\$ 26,756,418</u>

See Accompanying Notes to the Financial Statements

**Catholic Community Foundation of Mid-Michigan**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2019**  
**(With Summarized Comparative Information for 2018)**

	Program Services	Management and General	Fundraising	Total	
				2019	2018
Grants	\$ 1,144,434	\$ -	\$ -	\$ 1,144,434	\$ 1,086,042
Payroll and related costs					
Salaries and wages	57,432	39,485	22,734	119,651	94,477
Payroll taxes	4,317	2,968	1,709	8,994	6,865
Retirement	4,620	3,177	1,829	9,626	7,282
Employee benefits	3,791	2,606	1,500	7,897	16,310
Total payroll and related costs	70,160	48,236	27,772	146,168	124,934
Advertising and marketing	1,425	980	564	2,969	6,549
Conferences and meetings	48	33	19	100	1,159
Contract services	24,259	16,679	9,603	50,541	48,310
Miscellaneous	3,768	2,590	1,491	7,849	1,775
Occupancy	8,687	5,973	3,439	18,099	12,462
Office expenses	4,197	2,886	4,152	11,235	4,890
Professional fees	26,862	18,467	10,633	55,962	37,286
Travel and transportation	701	482	277	1,460	4,314
Supplies	4,597	3,160	3,883	11,640	11,524
Total expenses included in the expenses section on the statement of activities	\$ 1,289,138	\$ 99,486	\$ 61,833	\$ 1,450,457	\$ 1,339,245

See Accompanying Notes to the Financial Statements

**Catholic Community Foundation of Mid-Michigan**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2019**  
**(With Summarized Comparative Information for 2018)**

	2019	2018
<b>Cash flows from investing activities</b>		
Change in net assets	\$ 5,070,906	\$ (1,625,738)
Items not requiring cash		
Unrealized (gain) loss on investments	(3,751,643)	2,598,095
Realized gain on investments	(822,351)	(864,225)
Change in value of split-interest agreements	(52,334)	(48,530)
Changes in assets and liabilities		
Promises to give	107,888	18,303
Prepaid expenses	(67)	399
Accounts payable	(76,069)	56,333
Payroll liabilities	3,635	1,915
Net cash provided by operating activities	479,965	136,552
<b>Cash flows from investing activities</b>		
Purchases of investments	(96,625)	(544,696)
<b>Cash flows from financing activities</b>		
Principal payments on notes	(92,649)	(97,500)
Net change in cash and cash equivalents	290,691	(505,644)
Cash and cash equivalents - beginning of year	291,874	797,518
<b>Cash and cash equivalents- end of year</b>	<b>\$ 582,565</b>	<b>\$ 291,874</b>

See Accompanying Notes to the Financial Statements

**Catholic Community Foundation of Mid-Michigan**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(With Summarized Comparative Information for 2018)**

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**Note 1 - Summary of Significant Accounting Policies**

**Nature of Activities**

The Catholic Community Foundation of Mid-Michigan (the "Foundation") is a non-profit organization whose mission is to develop and manage funds to secure and further God's work in Mid-Michigan communities. The Foundation is guided by Gospel values and the teachings of the Catholic Church.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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.

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.

**Reclassification**

Certain amounts reported on the statement of functional expenses in the 2018 financial statements have been reclassified to conform to the 2019 presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

**Cash**

As of December 31, 2019, \$292,485 of cash was in excess of the amount insured by the FDIC.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional.

The Foundation initially records unconditional promises to give at fair value using the income approach and subsequently amortizes them using the original discount rate.

**Investments**

Investments are stated at fair value. Donated investments are reflected as contributions at their fair values at date of receipt. Investment income is reported net of direct investment expenses.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Catholic Community Foundation of Mid-Michigan**  
**Notes to the Financial Statements**  
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**Annuity Obligations**

Charitable gift annuities are recognized in the period the contract is executed. Assets are recorded at fair value and an annuity obligation is recorded at the fair value of the life expected future cash flows.

**Functional Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Amounts have been distributed equitably based on payroll and related costs which are allocated based on an estimate of where efforts are made. Certain fundraising expenses are allocated based on actual.

**Income Tax Status**

The Foundation is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation, as described in Section 509(a). The Foundation files information returns in the U.S. Federal and Michigan jurisdiction.

**Risks and Uncertainties**

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Variance Power**

Federal regulations require that the governing body of a community foundation "must have the power...to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organization if in the sole judgment of the governing body...such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served."

**Subsequent Events**

Management has evaluated subsequent events through May 4, 2020, which is the date the financial statements were available to be issued.

**Catholic Community Foundation of Mid-Michigan**  
**Notes to the Financial Statements**  
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**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of December 31:

	2019	2018
Cash	\$ 582,565	\$ 291,874
Promises to give, net	143,671	138,985
Long-term investments	30,793,265	26,111,844
Promises to give, net of current portion	604,882	717,456
Total financial assets - end of year	32,124,383	27,260,159
Less: Financial assets unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	30,767,119	25,693,388
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,357,264	\$ 1,566,771

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Our endowment is subject to an annual spending policy as described in Note 8. Although the Foundation does not intend to spend from this endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation's goal is generally to maintain financial assets to meet at least one month of expenditures. As part of its liquidity plan, excess cash is invested with the ability to liquidate within one month, if needed. Account balances are closely monitored to ensure sufficient funds are available to pay upcoming expenditures.

**Note 3 - Promises to Give**

Promises to give are scheduled to be collected as follows as of December 31:

	2019	2018
Less than one year	\$ 229,055	\$ 224,499
One to five years	500,000	578,671
More than five years	200,000	250,000
	929,055	1,053,170
Less allowance for doubtful accounts	(85,384)	(85,514)
Less discount to net present value	(95,118)	(111,215)
	\$ 748,553	\$ 856,441

Management has elected the fair value option for promises to give in order to simplify the accounting for promises to give made in multiple years. The promises to give are discounted using a rate of 3%.

**Catholic Community Foundation of Mid-Michigan**  
**Notes to the Financial Statements**  
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**(With Summarized Comparative Information for 2018)**

**Note 4 - Investments**

The Foundation's investments are in trust with the National Catholic Investment Pool (NCIP). The NCIP is a uniquely designed investment program for Catholic Dioceses and other 501(c)(3) Catholic entities listed in the Kenedy Directory. The NCIP offers investment diversification using eleven separately managed portfolios. In addition, all investments are screened using the socially responsible factors established by the United States Conference of Catholic Bishops (USCCB). The Michigan Catholic Conference (MCC) has administered the NCIP for over 15 years. The NCIP provides a diversified array of high quality active and passive managers. Cap Trust is the financial consultant and Northern Trust is the custodian. Each participant sets their own asset allocation and chooses which of the separately managed portfolios that they would like to use for their particular investment strategy.

Fair value of marketable debt and equity securities at December 31 consist of:

	2019	2018
Available for sale		
Equities	\$ 21,449,666	\$ 18,594,643
Fixed income	7,667,609	7,254,285
Real estate	1,500,583	-
Total available for sale	\$ 30,617,858	\$ 25,848,928

Long-term investments on the statement of financial position also includes cash and cash equivalents of \$175,407 and \$262,916 as of December 31, 2019 and 2018, respectively.

Net investment activity is composed of the following at December 31:

	2019	2018
Dividends and interest	\$ 679,118	\$ 626,385
Realized gain	822,351	864,225
Unrealized gain (loss)	3,751,643	(2,598,095)
Less: investment fees	(78,404)	(77,483)
	\$ 5,174,708	\$ (1,184,968)

**Note 5 - Loan Payable**

The Foundation has a loan agreement with the Diocese of Saginaw for unpaid service agreements amounts. The balance as of December 31, 2019 and 2018 was \$128,000 and \$220,649, respectively. Interest of .5% of the unpaid balance is to be paid annually. Interest only payments are due until February 1, 2021, at which time a three year balloon will occur in which the final payment is due.

Interest expense for 2019 and 2018 amounted to \$553 and \$795, respectively.

**Catholic Community Foundation of Mid-Michigan**  
**Notes to the Financial Statements**  
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**(With Summarized Comparative Information for 2018)**

**Note 6 - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes and periods at December 31:

	2019	2018
Endowments:		
Subject to endowment spending policy and appropriation		
Parish	\$ 717,444	\$ 265,733
Catholic school	5,938,440	4,083,286
Catholic education	373,261	213,924
College scholarship	289,935	150,903
Operational	61,783	34,804
Miscellaneous	40,761	5,555
Assistance to the poor	339,035	139,696
Priest and religious retirement	86,770	47,711
Cemetery	48,752	15,020
Seminarian and vocations	1,090,835	576,723
Catholic agencies	12,715	5,796
Operating designated	5,042	4,588
Donor advised	3,667,372	2,850,200
Perpetual in nature	18,411,927	17,804,111
Not subject to spending policy or appropriation:		
Perpetual in nature		
Charitable gift annuities	661,189	608,855
Total net assets with donor restrictions	\$ 31,745,261	\$ 26,806,905

**Note 7 - Net Assets Released from Donor Restrictions**

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

	2019	2018
Restricted-purpose spending-rate distributions and appropriations		
Parish	\$ 127,282	\$ 164,005
Catholic school	852,876	699,750
Catholic education	60,495	47,616
College scholarship	29,865	32,194
Operational	10,752	15,995
Miscellaneous	7,492	8,925
Assistance to the poor	31,137	102,991
Priest and religious retirement	21,453	18,039
Cemetery	14,678	4,602
Seminarian and vocations	174,183	179,028
Catholic agencies	3,995	3,409
Operating designated	431	89
Donor advised	182,898	151,314
Charitable gift annuities	11,482	10,407
	\$ 1,529,019	\$ 1,438,364

**Catholic Community Foundation of Mid-Michigan**  
**Notes to the Financial Statements**  
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**Note 8 - Endowments**

The Foundation's endowment consists entirely of donor-restricted endowment funds and is classified based on those donor-imposed restrictions.

**Interpretation of Relevant Law**

The board of directors of the Foundation 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 date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2019, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund; (2) The purposes of the organization and the donor-restricted endowment fund; (3) General economic conditions ; (4) The possible effect of inflation and deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of the organization; and (7) The investment policies of the organization.

The endowment net asset composition by type of fund as of December 31 is as follows:

	<u>With Donor Restrictions</u>	
	<u>2019</u>	<u>2018</u>
Donor-restricted		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 19,073,116	\$ 18,412,966
Accumulated investment gains	<u>12,672,145</u>	<u>8,393,939</u>
	<u>\$ 31,745,261</u>	<u>\$ 26,806,905</u>

Changes in endowment net assets for the year ended December are as follows:

	<u>With Donor Restrictions</u>	
	<u>2019</u>	<u>2018</u>
Beginning of year	\$ 26,806,905	\$ 28,582,241
Contributions	1,161,929	721,983
Distributions	(1,529,019)	(1,438,364)
Net investment activity	<u>5,305,446</u>	<u>(1,058,955)</u>
End of year	<u>\$ 31,745,261</u>	<u>\$ 26,806,905</u>

**Catholic Community Foundation of Mid-Michigan**  
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**Return Objectives and Risk Parameters**

The Foundation has adopted a policy to ensure a total return (yield plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time, provide a dependable source of support for current projects of the Foundation.

**Strategies Employed for Achieving Objectives**

The Foundation's investments are diversified to minimize the risk of large losses and investment in securities that conflict with the official moral and social teachings of the Roman Catholic Church are prohibited. The return objectives of the investments are to meet or exceed cumulative annual total return over a five-year moving average of a balanced market index comprised of 55% S&P 1500, 10% MSCI EAFE, and 35% Lehman Brothers Intermediate Government Credit Bond Index. The Foundation allocates 60% of its funds to equity investments, 30% of its funds to fixed investments, and 10% to other investment vehicles.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

When it is possible to do so without invading investment principal, disbursements are on a semi-annual basis at the discretion of the Board of Trustees. The Foundation's policy is to make the semi-annual disbursements based on the most recent twelve quarters fair market value rolling average asset values.

**Note 9 - Fair Value Measurements**

The following tables represent information about the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2019, and the valuation techniques used by the Foundation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows as of December 31, 2019:

	Balance at December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Cash and equivalents	\$ 175,407	\$ 175,407	\$ -
Equities	21,449,666	21,449,666	-
Fixed income	7,667,609	-	7,667,609
Real estate	1,500,583	-	1,500,583
	<u>\$ 30,793,265</u>	<u>\$ 21,625,073</u>	<u>\$ 9,168,192</u>

**Catholic Community Foundation of Mid-Michigan**  
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Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows as of December 31, 2018:

	Balance at December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Cash and equivalents	\$ 262,916	\$ 262,916	\$ -
Equities	18,594,643	16,231,420	2,363,223
Fixed income	7,254,285	63,784	7,190,501
	<u>\$ 26,111,844</u>	<u>\$ 16,558,120</u>	<u>\$ 9,553,724</u>

**Note 10 - Subsequent Events**

As result of the global coronavirus pandemic of 2020, many organizations' financial picture has seen an unanticipated change. The duration and full effects of the outbreak are currently unknown, as the global picture continues to change daily. While management is hopeful that the impact is temporary in nature, a description of known and anticipated circumstances expected to have a significant impact on our organization as of the date of management's review is as follows:

Investments - The stock market has experienced significant, double digit percentage declines and extreme volatility over the past several weeks leading up to the report date. The Organization's investment performance is expected to be similar to the S&P 500's performance over the same period. The Organization currently has no immediate plans to liquidate investments and remains focused on long term appreciation.