

W.C.A. FOUNDATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019



BAHGAT & LAURITO-BAHGAT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

PROVIDING THE TOOLS FOR FINANCIAL SUCCESS

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	2-4
Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows	7
Statements of Functional Expenses	8
Notes to Financial Statements	9-17
Supplemental Material:	
Schedule of Changes in Net Assets by Fund	18-19



Independent Auditor's Report

To the Board of Directors of
W.C.A. Foundation, Inc.
Jamestown, New York

Opinion

We have audited the accompanying financial statements of the W.C.A. Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the W.C.A. Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of W.C.A. Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in net assets by fund on pages 18-19 are presented for the purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing

procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Bahgat & Laurito-Bahgat

Bahgat & Laurito-Bahgat,
Certified Public Accountants, P.C.
Fredonia, New York

March 12, 2021

W.C.A. FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 263,953	\$ 363,966
Cash and cash equivalents, pass through funds	298,750	243,184
Investments, at market	17,494,678	15,475,995
Prepaid expense	1,057	-
Total Assets	\$ 18,058,438	\$ 16,083,145
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Grants payable	\$ 624,160	\$ 588,061
Accrued expenses	32,493	75,122
Amounts held in custody for others	298,750	243,184
Total Liabilities	955,403	906,367
NET ASSETS		
Without donor restrictions		
Undesignated	261,604	233,644
Board designated	12,862,204	11,453,084
Total without donor restrictions	13,123,808	11,686,728
With donor restrictions	3,979,227	3,490,050
Total Net Assets	17,103,035	15,176,778
TOTAL LIABILITIES AND NET ASSETS	\$ 18,058,438	\$ 16,083,145

See accompanying notes and independent auditor's report.

**W.C.A. FOUNDATION, INC.
STATEMENTS OF ACTIVITIES**

	For the year ended December 31, 2020			For the year ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Gifts and bequests	\$ 3,258	\$ 89,709	\$ 92,967	\$ 33,311	\$ 80,251	\$ 113,562
Investment income	172,181	48,449	220,630	220,148	60,297	280,445
Net realized investment gains	717,058	206,036	923,094	166,344	51,051	217,395
Unrealized investment gains (losses)	1,076,327	303,864	1,380,191	1,829,730	493,746	2,323,476
Pass through administration fee	2,644	-	2,644	2,597	-	2,597
Net assets released from restrictions	158,881	(158,881)	-	149,188	(149,188)	-
Net assets transferred between net assets without donor restrictions and net assets with donor restrictions	-	-	-	11,557	(11,557)	-
Total revenue, gains and other support	2,130,349	489,177	2,619,526	2,412,875	524,600	2,937,475
EXPENSES						
Grants	604,303	-	604,303	589,313	-	589,313
Administrative expenses	88,966	-	88,966	93,210	-	93,210
Total expenses	693,269	-	693,269	682,523	-	682,523
CHANGE IN NET ASSETS	1,437,080	489,177	1,926,257	1,730,352	524,600	2,254,952
NET ASSETS, at beginning of year	11,686,728	3,490,050	15,176,778	9,956,376	2,965,450	12,921,826
NET ASSETS, at end of year	\$ 13,123,808	\$ 3,979,227	\$ 17,103,035	\$ 11,686,728	\$ 3,490,050	\$ 15,176,778

See accompanying notes and independent auditor's report.

W.C.A. FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,926,257	\$ 2,254,952
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Increase in prepaid expenses	(1,057)	-
Increase (decrease) in grants payable	36,099	(16,159)
Increase in amounts held in custody for others	55,566	243,108
(Decrease) increase in accrued expenses	(42,629)	11,541
Increase in net investment income and realized gains	(1,143,724)	(522,317)
Unrealized investment gains	(1,380,191)	(2,323,476)
Total adjustments	(2,475,936)	(2,607,303)
Net cash used in operating activities	(549,679)	(352,351)
Cash flows from investing activities		
Proceeds from sale of investments	945,572	1,525,807
Purchases of investments	(440,340)	(1,354,321)
Net cash provided by investing activities	505,232	171,486
Net change in cash and cash equivalents	(44,447)	(180,865)
Cash and cash equivalents, beginning of year	607,150	788,015
Cash and cash equivalents, end of year	\$ 562,703	\$ 607,150

W.C.A. FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

	<u>For the year ended December 31, 2020</u>			<u>For the year ended December 31, 2019</u>		
	<u>Grants</u>	<u>Administrative expense</u>	<u>Total</u>	<u>Grants</u>	<u>Administrative expense</u>	<u>Total</u>
Grants paid	\$ 604,303	\$ -	\$ 604,303	\$ 589,313	\$ -	\$ 589,313
Reimbursed salaries	-	56,257	56,257	-	66,271	66,271
Professional fees	-	13,950	13,950	-	13,340	13,340
Development expense	-	10,350	10,350	-	5,086	5,086
Fundraising expense	-	-	-	-	3,232	3,232
Insurance	-	2,655	2,655	-	1,975	1,975
Other expenses	-	5,754	5,754	-	3,018	3,018
Utilities/telephone	-	-	-	-	288	288
Total	<u>\$ 604,303</u>	<u>\$ 88,966</u>	<u>\$ 693,269</u>	<u>\$ 589,313</u>	<u>\$ 93,210</u>	<u>\$ 682,523</u>

See accompanying notes and independent auditor's report.

<p style="text-align: center;">W.C.A. FOUNDATION, INC. NOTES TO FINANCIAL STATEMENTS</p>
--

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

W.C.A. Foundation, Inc. (the Foundation) is a not-for-profit organization which was incorporated in 1981 and began operations July 1, 1982. The Foundation's mission is to promote and support community health in Jamestown, New York through the support of UPMC Chautauqua W.C.A. and any other affiliates of UPMC Chautauqua.

BASIS OF ACCOUNTING

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

FINANCIAL STATEMENT PRESENTATION

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions which are described as follows:

With Donor Restriction

Donor restricted net assets are subject to donor imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time. When a restriction expires, donor restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Additionally, the Foundation has net assets subject to donor imposed stipulations that require the net assets be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or a part of the income earned on any related investments for general or specific purposes.

Without Donor Restriction

Net assets without donor restriction are not subject to donor imposed stipulation. Included in net assets without donor restriction are board designated net assets that recognize specified bequests from individuals that are unrestricted in nature. Spending related to those funds are in support of current grant commitments.

CASH AND CASH EQUIVALENTS

For the purpose of the Statements of Cash Flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of twelve months or less to be cash equivalents, unless board designated for investment purposes or specific purposed. At various times, cash in financial institutions may exceed federally insured limits, which would subject the Foundation to concentrations of credit risk in the event of a bank failure.

W.C.A. FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Although the accounts periodically exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

INVESTMENTS

Investments are reported at market value on the Statements of Financial Position. Realized and unrealized gains and losses on investments are reflected in the Statements of Activities.

RESTRICTED AND UNRESTRICTED REVENUE

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction.

USE OF ESTIMATES

The preparation of financial statements in conformity with accrual basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

INCOME TAX STATUS

The Foundation is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the Code) and from New York State income taxes under Article 7-A of the Executive Law. Therefore, no provision has been made for Federal or New York State income taxes in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an agency other than a private foundation under Section 509(a)(3). Tax filings that remain subject to examination by taxing authorities include 2017 and later years.

NOTE 2 – ENDOWMENTS

The Foundation's overall endowment consists of fifty individual funds established for a variety of purposes. Its total endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, 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.

W.C.A. FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – ENDOWMENTS (continued)

The Board of Directors of the Foundation has interpreted the New York State Not-For-Profit Corporation law as stating that appropriations for endowment funds are allowed for the uses and purposes for which an endowment fund is established. Appropriations are limited to the amount of the net appreciation, realized (with respect to all assets) and unrealized (with respect only to readily marketable assets), in the fair value of the assets of an endowment fund over the historic dollar value of the fund as is prudent.

Endowment Net Asset Composition by Type of Fund

The balances of the Endowments as of December 31, 2020 and 2019 are as follows:

December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund:			
Donor designated	\$ -	\$ 3,979,227	\$ 3,979,227
Board designated	12,862,204	-	12,862,204
Total Funds	\$ 12,862,204	\$ 3,979,227	\$ 16,841,431

December 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund:			
Donor designated	\$ -	\$ 3,486,370	\$ 3,486,370
Board designated	11,453,084	-	11,453,084
Total Funds	\$ 11,453,084	\$ 3,486,370	\$ 14,939,454

Changes in Endowment Net Assets:

December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets,			
Beginning of year	\$ 11,453,084	\$ 3,486,370	\$ 14,939,454
Investment Return:			
Investment Income, net	171,528	48,449	219,977
Net Realized			
Appreciation	725,574	206,036	931,610
Net Unrealized			
Appreciation	1,058,246	303,864	1,362,110
Contributions	-	73,261	73,261
Appropriation for			
Expenditures	(546,228)	(158,881)	(705,109)
Transfers	-	20,128	20,128
Total Funds	\$ 12,862,204	\$ 3,979,227	\$ 16,841,431

W.C.A. FOUNDATION, INC. NOTES TO FINANCIAL STATEMENTS
--

NOTE 2 – ENDOWMENTS (continued)

December 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of year	\$ 9,800,126	\$ 2,964,350	\$ 12,764,476
Investment Return:			
Investment Income, net	218,534	60,297	278,831
Net Realized			
Appreciation	184,613	51,051	235,664
Net Unrealized			
Appreciation	1,795,987	493,746	2,289,733
Contributions	-	77,571	77,571
Appropriation for			
Expenditures	(546,176)	(149,188)	(695,364)
Transfers	-	(11,457)	(11,457)
Total Funds	\$ 11,453,084	\$ 3,486,370	\$ 14,939,454

Description of Amounts Classified as Net Assets with Donor Restrictions: Perpetual in Nature and Purpose Restricted (Endowment Only)

	2020	2019
<u>Net Assets With Donor Restrictions: Perpetual in Nature</u>		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by NYS Not-For-Profit Corporation Law	\$ 2,830,149	\$ 2,736,760
Total endowment funds classified as Donor Restricted net assets: Perpetual in Nature	\$ 2,830,149	\$ 2,736,760
<u>Net Assets With Donor Restrictions: Purpose Restricted</u>		
The portion of perpetual endowment funds subject to a purpose restriction under NYS Not-For-Profit Corporation Law	\$ 1,149,078	\$ 749,610
Total endowment funds classified as Donor Restricted net assets: Purpose Restricted	\$ 1,149,078	\$ 749,610

W.C.A. FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – ENDOWMENTS (continued)

Underwater Endowment Funds

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 NYS Not-For-Profit Corporation Law requires the Foundation to retain as a fund of perpetual duration. There were no underwater Endowment Funds for years ending 2020 and 2019.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Foundation must hold in perpetuity or for a donor specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce returns that are sufficient enough to fund annual distributions plus growth equal to inflation. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 8.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4.25% of its endowment fund's average fair value over the prior 20 quarters through the third quarter of the fiscal year proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3.25% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

On September 17, 2010, the State of New York adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). This provides discretion to the Foundation with respect to the accumulation or expenditure of amounts in the endowment fund including portions of the original dollar value of the donors' gifts. NYPMIFA also requires grant spending to be calculated based on quarterly market values of the endowment over a period of not less than 5 years.

W.C.A. FOUNDATION, INC. NOTES TO FINANCIAL STATEMENTS
--

NOTE 3 – INVESTMENTS

Investments are reported at market value for financial statement purposes.

The balances as of December 31, 2020 and 2019 are comprised of equity participant funds detailed as follows:

	2020	2019
Cash and Equivalents	\$ 235,355	\$ 268,062
Mutual Funds	17,494,678	15,475,995
Total Market	17,730,033	15,744,057
Total Cost	12,818,387	12,212,602
Cumulative Unrealized Gain since inception	\$ 4,911,646	\$ 3,531,455

Fair Value Measurements at Reporting Date

The Foundation’s investments are reported at fair value in the accompanying Statements of Financial Position. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent resources, while unobservable inputs reflect the Foundation’s market assumptions. These types of inputs create the following fair value hierarchy: Level 1 inputs consist of quoted prices for identical instruments in active markets, Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities and model-derived valuations whose significant inputs are observable and Level 3 consists of instruments whose significant inputs are unobservable. The Foundation uses appropriate valuation techniques based on available inputs to measure the fair value of its investments.

Fair Value Measurements at Reporting Date (continued)

	Level 1	Total
December 31, 2020		
Cash And Equivalents	\$ 235,355	\$ 235,355
Mutual funds	17,494,678	17,494,678
	\$ 17,730,033	\$ 17,730,033
December 31, 2019		
Cash And Equivalents	\$ 268,062	\$ 268,062
Mutual funds	15,475,995	15,475,995
	\$ 15,744,057	\$ 15,744,057

W.C.A. FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – INVESTMENTS (continued)

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amounted to \$22,135 and \$21,880 for the years ended 2020 and 2019, respectively and have been netted against investment revenues in the accompanying Statements of Activities.

NOTE 4 – DONATION DAYS

The Foundation's annual appeal for support is referred to as "Donation Days." Annually a letter appeal is distributed which requests donations to support any of the endowments or unrestricted funds of the Foundation. During the years ended December 31, 2020 and 2019, the Foundation received \$15,061 and \$38,015, respectively in donations during the annual campaign.

Amounts restricted by donors are recorded as contributions to the endowment funds designated by the donors.

NOTE 5 – GRANT PAYABLE

The Foundation has approved grants that have not been paid to UPMC Chautauqua W.C.A. totaling \$624,160 and \$588,061 as of December 31, 2020 and 2019, respectively.

NOTE 6 – RELATED PARTY TRANSACTIONS

The accompanying financial statements include only the accounts of the Foundation. The Foundation is considered a related party to UPMC Chautauqua W.C.A. During the years ended December 31, 2020, and 2019, the Foundation made grants that benefited UPMC Chautauqua W.C.A. totaling \$618,725 and \$657,039, respectively.

Pursuant to Financial Accounting Standards Board in the Financial Accounting Standards Codification Topic 985-605-15-10, Transfer of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others, UPMC Chautauqua W.C.A. and the Foundation are defined as financially interrelated organizations. Accordingly, UPMC Chautauqua W.C.A. is required to recognize its interest in the net assets of the Foundation and adjust that interest for its share of the change in the net assets of the Foundation. There is no effect on the Foundation's financial statements.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects W.C.A. Foundation's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Foundation has a policy of appropriating for general use each year 1.0% of its endowment fund's average fair value over the prior 20 quarters through the fourth quarter of the fiscal year proceeding the fiscal year.

W.C.A. FOUNDATION, INC. NOTES TO FINANCIAL STATEMENTS
--

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

	2020	2019
Financial assets at year end	\$ 18,058,438	\$ 16,083,144
Less those unavailable for general expenditures		
Within one year due to:		
Donor restricted: Perpetual in nature	(2,830,139)	(2,736,760)
Donor restricted: Purpose restricted	(1,149,078)	(753,290)
Agency Funds	(298,750)	(243,184)
Financial assets available to meet cash needs for general expenditures within one year	\$ 13,780,471	\$ 12,349,910

W.C.A. Foundation’s liquidity management is described in Note 2. The remaining financial assets available to meet cash needs within one year are made mostly of board designated funds that are unrestricted in nature and are related to specific bequests from individuals, the purpose of which is to support current grant commitments.

NOTE 8 – PASS THROUGH FUNDS

Beginning in 2019, W.C.A. Foundation began administering pass through accounts for the benefit of the UPMC Chautauqua W.C.A. These accounts are presented as assets and liabilities on the statement of financial position. Funds received are not recognized as revenue, since the funds will only pass through the Foundation to the corresponding expense of the hospital. Funds in pass through accounts designated for specific purposes at UPMC Chautauqua are held until a time the donor states that the hospital’s request is to be funded. The Foundation charges 1 percent per year to administer the pass through fund accounts, for the years ended December 31, 2020 and 2019 the Foundation charged \$2,644 and \$2,597, respectively to administer these funds. The income related to the 1% fee is included in investment income.

NOTE 9 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of W.C.A Foundation operations have been summarized in the Statements of Activities. The Foundation allocated its expenses on a functional basis among grant and administrative expense and then summarized and categorized based upon their functional classification. Expenses that can be identified with a specific program or activity are allocated directly according to their natural expenditure classification.

W.C.A. FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - SUBSEQUENT EVENTS

Events and transactions which have occurred from December 31, 2020 through March 12, 2021, the date these financial statements were available to be issued, have been evaluated by management for the purpose of determining whether there were any events that might require disclosure in these financial statements. The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of the situation on the Organization and its future results and financial position are not presently determinable.

W.C.A. FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS BY FUND

FOR THE YEAR ENDED DECEMBER 31, 2020	Beginning Net Assets	Contributions	Realized Gains	Unrealized Gains	Investment Income Allocation	Admin Expense	Donations	Transfers	Ending Net Assets
Net Assets with donor restriction: Perpetual in nature									
R. Quintus and Sondra Anderson Fund	\$ 10,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,100
Carol B. Bogdan Memorial Cancer Treatment Fund	29,375	-	-	-	-	-	-	-	29,375
Marie Barone Memorial Fund	45,670	60	-	-	-	-	-	-	45,730
Rosemary Billquist Memorial Scholarship	30,260	2,758	-	-	-	-	-	-	33,018
Dennis P. Bush Memorial Fund	20,112	725	-	-	-	-	-	-	20,837
Florence G. Cass Fund	11,695	-	-	-	-	-	-	-	11,695
Dr. Harold M. & Joyce S. Childress Fund	1,518,893	325	-	-	-	-	-	-	1,519,218
Karen Crossley Scholarship Fund	10,824	-	-	-	-	-	-	-	10,824
Verland & Doris Danielson Fund	134,810	-	-	-	-	-	-	-	134,810
Clifford S. Davis Memorial Fund	232,834	-	-	-	-	-	-	-	232,834
Eaglesome Family Fund	16,107	450	-	-	-	-	-	-	16,557
Dr. Glen M. Ebersole Fund	13,350	1,200	-	-	-	-	-	-	14,550
Carol D. Evans Memorial Fund	48,097	20,521	-	-	-	-	-	-	68,618
Family Care Calls	-	5,211	-	-	-	-	-	-	5,211
Framed In Pink-Bowling Over Breast Cancer	45,220	-	-	-	-	-	-	-	45,220
A Fresh Start Fund	13,550	-	-	-	-	-	-	-	13,550
G.A. Family Services at Lutheran	5,000	-	-	-	-	-	-	-	5,000
Robert L. Gingell, M.D. Memorial Fund	11,530	-	-	-	-	-	-	-	11,530
Good Neighbor Fund	-	1,200	-	-	-	-	-	9,395	10,595
Grateful Patient Fund in honor of Dr. Wilson W. Shaw	20,176	975	-	-	-	-	-	-	21,151
C. Donald and Marilyn L. Haglund and Family Fund	11,455	114	-	-	-	-	-	-	11,569
Hannah's Fun'd	8,651	100	-	-	-	-	-	-	8,751
Healthy Life Fund	-	-	-	-	-	-	-	5,000	5,000
Margaret S. Hitchcock Estate	9,698	1,230	-	-	-	-	-	-	10,928
Jamestown Mattress Pullan Family Fund	6,000	500	-	-	-	-	-	-	6,500
Daniel A. Johnson Scholarship Fund	-	6,870	-	-	-	-	-	-	6,870
Doctors Laha Family Fund	11,000	-	-	-	-	-	-	-	11,000
LINKS Charity Cancer Care Fund	24,774	250	-	-	-	-	-	-	25,024
Murray S. Marsh Scholarship Fund	25,125	-	-	-	-	-	-	-	25,125
Elizabeth Warner Marvin Fund	10,000	-	-	-	-	-	-	-	10,000
Elizabeth Warner Marvin Trust	1,000	-	-	-	-	-	-	-	1,000
Mary Lou Messina Nursing Scholarship Fund	9,270	570	-	-	-	-	-	-	9,840
Vincent A. Messina Memorial Scholarship Fund	82,805	2,320	-	-	-	-	-	-	85,125
LaVerne M. Meyers Memorial Fund	124,982	5,275	-	-	-	-	-	-	130,257
Kellie Anne Murphy Memorial Fund	6,694	50	-	-	-	-	-	-	6,744
Paws for Love Fund	-	-	-	-	-	-	-	5,723	5,723
Patricia and James Phillips Family Fund	7,787	50	-	-	-	-	-	-	7,837
Judy Pollino Memorial Fund	11,458	397	-	-	-	-	-	-	11,855
Rapaport Family Fund	30,525	4,254	-	-	-	-	-	-	34,779
Dale C. and Rebecca I. Robbins Fund	24,899	16,230	-	-	-	-	-	-	41,129
Shades of Pink Fund	23,000	1,356	-	-	-	-	-	10	24,366
Betty Sheldon Starflight Fund	33,825	225	-	-	-	-	-	-	34,050
Brad and Becky Van Riper Digestive System Cancer Fund	7,670	20	-	-	-	-	-	-	7,690
WCA Auxiliary Fund	6,000	25	-	-	-	-	-	-	6,025
WCA Cancer Treatment Center Patient Assistance Fund	6,940	-	-	-	-	-	-	-	6,940
Vivian Wettingfield Nursing Education Fund	9,890	-	-	-	-	-	-	-	9,890
Allen J. and Barbara B. Yahn Family Fund	25,709	-	-	-	-	-	-	-	25,709
Total net assets with donor restrictions: Perpetual in nature	2,736,760	73,261	-	-	-	-	-	20,128	2,830,149
Net Assets with donor restrictions: Purpose restricted									
Income counterparts are perpetual in nature									
R. Quintus and Sondra Anderson Fund	1,259	-	705	1,028	168	(83)	(448)	-	2,629
Carol B. Bogdan Memorial Cancer Treatment Fund	10,148	-	2,454	3,578	580	(289)	(1,559)	-	14,912
Marie Barone Memorial Fund	11,131	-	3,530	5,153	835	(415)	(2,243)	-	17,991
Rosemary Billquist Memorial Scholarship	1,991	-	2,170	3,443	505	(247)	(1,377)	-	6,485
Dennis P. Bush Memorial Fund	4,639	-	1,574	2,304	369	(182)	(976)	-	7,728
Florence G. Cass Fund	1,978	-	849	1,238	201	(100)	(539)	-	3,627
Dr. Harold M. & Joyce S. Childress Fund	495,621	-	125,083	182,441	29,570	(14,704)	(79,472)	-	738,539
Karen Crossley Scholarship Fund	4,013	-	920	1,343	218	(108)	(585)	-	5,801
Verland & Doris Danielson Fund	54,173	-	11,735	17,113	2,774	(1,380)	(7,454)	-	76,961

See paragraph on supplementary information in independent auditor's report.

W.C.A. FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS BY FUND

FOR THE YEAR ENDED DECEMBER 31, 2020	Beginning Net Assets	Contributions	Realized Gains	Unrealized Gains	Investment Income Allocation	Admin Expense	Donations	Transfers	Ending Net Assets
Net Assets with donor restrictions: Purpose restricted									
Income counterparts are perpetual in nature (continued)									
Eaglesome Family Fund	5,801	-	1,383	2,023	324	(160)	(864)	-	8,507
Dr. Glen M. Ebersole Fund	4,246	-	1,166	1,702	275	(137)	(737)	-	6,515
Carol D. Evans Memorial Fund	7,377	-	4,636	8,145	1,006	(465)	(3,022)	-	17,677
Framed In Pink-Bowling Over Breast Cancer	3,225	-	3,008	4,387	711	(354)	(1,911)	-	9,066
A Fresh Start Fund	1,124	-	911	1,328	215	(106)	(579)	-	2,893
G.A. Family Services at Lutheran	401	-	336	489	79	(39)	(213)	-	1,053
Robert L. Gingell, M.D. Memorial Fund	2,036	-	843	1,229	198	(99)	(535)	-	3,672
Good Neighbor Fund	-	-	608	1,530	96	(29)	(389)	-	1,816
Grateful Patient Fund in honor of Dr. Wilson W. Shaw	2,858	-	1,483	2,221	346	(171)	(918)	-	5,819
C. Donald and Marilyn L. Haglund and Family Fund	4,235	-	980	1,431	231	(114)	(619)	-	6,144
Hannah's Fun'd	475	-	572	834	135	(67)	(360)	-	1,589
Margaret S. Hitchcock Estate	7,098	-	1,113	1,631	260	(128)	(687)	-	9,287
Jamestown Mattress Pullan Family Fund	938	-	457	672	105	(51)	(274)	-	1,847
Doctors Laha Family Fund	728	-	729	1,063	173	(86)	(463)	-	2,144
LINKS Charity Cancer Care Fund	5,741	-	1,989	3,651	490	(240)	(1,740)	-	9,891
Murray S. Marsh Scholarship Fund	6,050	-	1,931	2,813	457	(297)	(1,227)	-	9,727
Elizabeth Warner Marvin Fund	11,309	-	1,323	1,930	313	(155)	(841)	-	13,879
Elizabeth Warner Marvin Trust	431	-	89	129	21	(11)	(56)	-	603
Mary Lou Messina Nursing Scholarship Fund	4,972	-	919	1,361	216	(107)	(580)	-	6,781
Vincent A. Messina Memorial Scholarship Fund	15,598	-	6,193	9,066	1,455	(792)	(7,924)	-	23,596
LaVerne M. Meyers Memorial Fund	24,055	-	9,581	13,973	2,265	(1,127)	(6,086)	-	42,661
Kellie Anne Murphy Memorial Fund	1,186	-	493	731	116	(57)	(313)	-	2,156
Patricia and James Phillips Family Fund	1,128	-	556	811	131	(65)	(352)	-	2,209
Judy Pollino Memorial Fund	2,081	-	865	1,262	203	(101)	(546)	-	3,764
Rapaport Family Fund	2,823	-	2,324	3,389	545	(269)	(1,443)	-	7,369
Dale C. and Rebecca I. Robbins Fund	8,048	-	2,887	4,367	585	(267)	(1,300)	-	14,320
Shades of Pink	1,088	-	1,578	2,295	372	(185)	(1,001)	-	4,147
Betty Sheldon Starflight Fund	20,210	-	3,367	4,911	794	(395)	(2,131)	-	26,756
Brad and Becky Van Riper Fund	1,145	-	548	800	130	(65)	(348)	-	2,210
WCA Auxiliary Fund	390	-	397	579	94	(46)	(253)	-	1,161
WCA Cancer Treatment Center Patient Assistance Fund	1,432	-	520	758	124	(61)	(330)	-	2,443
Vivian Wettingfield Nursing Education Fund	3,936	-	859	1,253	202	(101)	(545)	-	5,604
Allen J. and Barbara B. Yahn Family Fund	12,492	-	2,372	3,459	562	(279)	(1,507)	-	17,099
Non-endowed funds									
Good Neighbor Fund	2,170	7,225	-	-	-	-	-	(9,395)	-
Lily's Hope	10	-	-	-	-	-	-	(10)	-
Paws for Love	-	5,723	-	-	-	-	-	(5,723)	-
Healthy Life Fund	1,500	3,500	-	-	-	-	-	(5,000)	-
Total net assets with donor restrictions:									
Purpose restricted	<u>753,290</u>	<u>16,448</u>	<u>206,036</u>	<u>303,864</u>	<u>48,449</u>	<u>(24,134)</u>	<u>(134,747)</u>	<u>(20,128)</u>	<u>1,149,078</u>
Net Assets without donor restrictions									
Fund for the Hospital	233,644	3,258	13,619	18,081	3,297	(1,667)	(8,628)	-	261,604
Clifford S. Davis Memorial Fund*	3,629,691	-	225,366	328,695	53,278	(26,496)	(152,205)	-	4,058,329
Hoag Estate*	1,860,888	-	129,998	189,601	30,731	(15,283)	(73,544)	-	2,122,391
Starr Trust*	5,134,999	-	318,829	465,012	75,373	(37,481)	(202,540)	-	5,754,192
Elizabeth Garatt Taylor*	827,506	-	51,381	74,938	12,146	(6,040)	(32,639)	-	927,292
Total net assets without donor restrictions	<u>11,686,728</u>	<u>3,258</u>	<u>739,193</u>	<u>1,076,327</u>	<u>174,825</u>	<u>(86,967)</u>	<u>(469,556)</u>	<u>-</u>	<u>13,123,808</u>
Total net assets	<u>\$ 15,176,778</u>	<u>\$ 92,967</u>	<u>\$ 945,229</u>	<u>\$ 1,380,191</u>	<u>\$ 223,274</u>	<u>\$ (111,101)</u>	<u>\$ (604,303)</u>	<u>\$ -</u>	<u>\$ 17,103,035</u>

*Board Designated

W.C.A. FOUNDATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

Independent Auditor's Report

To the Board of Directors of
W.C.A. Foundation, Inc.
Jamestown, New York

Opinion

We have audited the accompanying financial statements of the W.C.A. Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the W.C.A. Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of W.C.A. Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.