

**W.C.A. FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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## **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, 2022 and 2021, 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, 2022 and 2021, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **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.

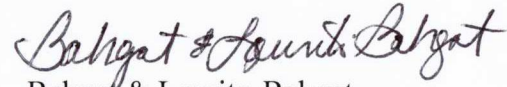
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 18-20 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,  
Certified Public Accountants, P.C.  
Fredonia, New York

March 6, 2023

**W.C.A. FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 193,222	\$ 156,133
Cash and cash equivalents, pass through funds	185,951	166,542
Investments, at market	16,468,329	20,062,711
Fixed Assets	5,651	-
<b>Total Assets</b>	<b>\$ 16,853,153</b>	<b>\$ 20,385,386</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Grants payable	\$ 831,725	\$ 769,295
Accrued expenses	26,613	12,603
Amounts held in custody for others	185,951	166,542
<b>Total Liabilities</b>	1,044,289	948,440
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	198,982	311,737
Board designated	11,488,036	14,241,269
Total without donor restrictions	11,687,018	14,553,006
With donor restrictions	4,121,846	4,883,940
<b>Total Net Assets</b>	15,808,864	19,436,946
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,853,153</b>	<b>\$ 20,385,386</b>

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

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Gifts and bequests	\$ 23,981	\$ 62,498	\$ 86,479	\$ 44,286	\$ 484,947	\$ 529,233
Investment income	253,751	80,660	334,411	203,693	63,193	266,886
Net realized investment gains	247,254	85,194	332,448	856,048	270,666	1,126,714
Unrealized investment gains (losses)	(2,711,384)	(854,123)	(3,565,507)	922,835	272,442	1,195,277
Pass through administration fee	751	-	751	1,857	-	1,857
Net assets released from restrictions	202,869	(202,869)	-	187,635	(187,635)	-
Net assets transferred between net assets without donor restrictions and net assets with donor restrictions	(66,546)	66,546	-	(1,100)	1,100	-
<b>Total revenue, gains and other support</b>	<b>(2,049,324)</b>	<b>(762,094)</b>	<b>(2,811,418)</b>	<b>2,215,254</b>	<b>904,713</b>	<b>3,119,967</b>
<b>EXPENSES</b>						
Grants	679,728	-	679,728	669,704	-	669,704
Administrative expenses	136,936	-	136,936	116,352	-	116,352
<b>Total expenses</b>	<b>816,664</b>	<b>-</b>	<b>816,664</b>	<b>786,056</b>	<b>-</b>	<b>786,056</b>
<b>CHANGE IN NET ASSETS</b>	<b>(2,865,988)</b>	<b>(762,094)</b>	<b>(3,628,082)</b>	<b>1,429,198</b>	<b>904,713</b>	<b>2,333,911</b>
<b>NET ASSETS</b> , at beginning of year	14,553,006	4,883,940	19,436,946	13,123,808	3,979,227	17,103,035
<b>NET ASSETS</b> , at end of year	<b>\$ 11,687,018</b>	<b>\$ 4,121,846</b>	<b>\$ 15,808,864</b>	<b>\$ 14,553,006</b>	<b>\$ 4,883,940</b>	<b>\$ 19,436,946</b>

See accompanying notes and independent auditor's report.

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

	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (3,628,082)	\$ 2,333,911
<b>Adjustments to reconcile change in net assets to net cash used in operating activities:</b>		
Increase in prepaid expenses	-	1,057
Increase in grants payable	62,430	145,135
Increase (Decrease) in amounts held in custody for others	19,409	(132,208)
Increase (Decrease) in accrued expenses	14,010	(19,890)
Net investment income and realized gains	(666,859)	(1,393,600)
Unrealized investment gains	3,565,507	(1,195,277)
<b>Total adjustments</b>	<b>2,994,497</b>	<b>(2,594,783)</b>
<b>Net cash used in operating activities</b>	<b>(633,585)</b>	<b>(260,872)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	2,322,412	2,279,603
Purchases of investments	(1,632,329)	(2,258,759)
<b>Net cash provided by investing activities</b>	<b>690,083</b>	<b>20,844</b>
<b>Net change in cash and cash equivalents</b>	<b>56,498</b>	<b>(240,028)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>322,675</b>	<b>562,703</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 379,173</b>	<b>\$ 322,675</b>



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

	<u>For the year ended December 31, 2022</u>			<u>For the year ended December 31, 2021</u>		
	<u>Grants</u>	<u>Administrative expense</u>	<u>Total</u>	<u>Grants</u>	<u>Administrative expense</u>	<u>Total</u>
Grants paid	\$ 679,728	\$ -	\$ 679,728	\$ 669,704	\$ -	\$ 669,704
Reimbursed salaries	-	95,067	95,067	-	84,675	84,675
Professional fees	-	17,755	17,755	-	13,450	13,450
Development expense	-	12,288	12,288	-	9,713	9,713
Insurance	-	5,968	5,968	-	3,333	3,333
Other expenses	-	5,858	5,858	-	5,181	5,181
Total	<u>\$ 679,728</u>	<u>\$ 136,936</u>	<u>\$ 816,664</u>	<u>\$ 669,704</u>	<u>\$ 116,352</u>	<u>\$ 786,056</u>

See accompanying notes and independent auditor's report.

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

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

**PROPERTY AND EQUIPMENT**

Property and equipment in excess of \$5,000 is stated at cost net of accumulated depreciation. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are charged to operations; significant improvements are capitalized.

**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.

<b>W.C.A. FOUNDATION, INC.</b> <b>NOTES TO FINANCIAL STATEMENTS</b>
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**NOTE 2 – ENDOWMENTS**

The Foundation’s overall endowment consists of fifty-one 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.

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, 2022 and 2021 are as follows:

<b>December 31, 2022</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Fund:			
Donor designated	\$ -	\$ 4,121,846	\$ 4,121,846
Board designated	11,488,036	-	11,488,036
<b>Total Funds</b>	<b>\$ 11,488,036</b>	<b>\$ 4,121,846</b>	<b>\$ 15,609,882</b>

<b>December 31, 2021</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Fund:			
Donor designated	\$ -	\$ 4,883,940	\$ 4,883,940
Board designated	14,241,269	-	14,241,269
<b>Total Funds</b>	<b>\$ 14,241,269</b>	<b>\$ 4,883,940</b>	<b>\$ 19,125,209</b>

<b>W.C.A. FOUNDATION, INC.</b> <b>NOTES TO FINANCIAL STATEMENTS</b>
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**NOTE 2 – ENDOWMENTS (continued)**

**Changes in Endowment Net Assets:**

<b>December 31, 2022</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Net Assets, Beginning of year	\$ 14,241,269	\$ 4,883,940	\$ 19,125,209
Investment Return:			
Investment Income, net Net Realized	248,944	80,660	329,604
Appreciation	266,211	85,194	351,405
Net Unrealized Loss	(2,655,257)	(854,123)	(3,509,380)
Contributions	-	62,498	62,498
Appropriation for Expenditures	(613,131)	(202,869)	(816,000)
Transfers	-	66,546	66,546
<b>Total Funds</b>	<b>\$ 11,488,036</b>	<b>\$ 4,121,846</b>	<b>\$ 15,609,882</b>

<b>December 31, 2021</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Net Assets, Beginning of year	\$ 12,862,204	\$ 3,979,227	\$ 16,841,431
Investment Return:			
Investment Income, net Net Realized	201,361	63,193	264,554
Appreciation	864,426	270,666	1,135,092
Net Unrealized Appreciation	903,302	272,442	1,175,744
Contributions	-	484,947	484,947
Appropriation for Expenditures	(590,024)	(187,635)	(777,659)
Transfers	-	1,100	1,100
<b>Total Funds</b>	<b>\$ 14,241,269</b>	<b>\$ 4,883,940</b>	<b>\$ 19,125,209</b>

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

<b>W.C.A. FOUNDATION, INC.</b> <b>NOTES TO FINANCIAL STATEMENTS</b>
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**NOTE 2 – ENDOWMENTS (continued)**

	2022	2021
<b><u>Net Assets With Donor Restrictions: Perpetual in Nature:</u></b>		
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	\$ 3,375,169	\$ 3,316,196
Total endowment funds classified as Donor Restricted net assets - Perpetual in Nature	\$ 3,375,169	\$ 3,316,196
<b><u>Net Assets With Donor Restrictions: Purpose Restricted</u></b>		
The portion of perpetual endowment funds subject to a purpose restriction under NYS Not-For-Profit Corporation Law	\$ 746,677	\$ 1,567,744
Total endowment funds classified as Donor Restricted net assets - Purpose Restricted	\$ 746,677	\$ 1,567,744

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. In 2022, some funds did become underwater, however the Board took action to replenish the funds by transferring from the undesignated assets so as to enable the fund to participate in the 2023 grant allocation. Therefore, there were no underwater Endowment Funds for years ending 2022 and 2021.

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.

<b>W.C.A. FOUNDATION, INC.</b> <b>NOTES TO FINANCIAL STATEMENTS</b>
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**NOTE 2 – ENDOWMENTS (continued)**

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.

**NOTE 3 – INVESTMENTS**

Investments are reported at market value for financial statement purposes.

The balances as of December 31, 2022 and 2021 are comprised of equity participant funds detailed as follows:

	<u>2022</u>	<u>2021</u>
Cash and Equivalents	\$ 130,529	\$ 65,861
Mutual Funds	16,468,329	20,062,711
Total Market	16,598,858	20,128,572
Total Cost	14,051,953	14,021,649
Cumulative Unrealized Gain since inception	<u>\$ 2,546,905</u>	<u>\$ 6,106,923</u>

<b>W.C.A. FOUNDATION, INC.</b> <b>NOTES TO FINANCIAL STATEMENTS</b>
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**NOTE 3 – INVESTMENTS (continued)**

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)

<b>December 31, 2022</b>	<b>Level 1</b>	<b>Total</b>
Cash And Equivalents	\$ 130,529	\$ 130,529
Mutual funds	16,468,329	16,468,329
	\$ 16,598,858	\$ 16,598,858
<b>December 31, 2021</b>	<b>Level 1</b>	<b>Total</b>
Cash And Equivalents	\$ 65,861	\$ 65,861
Mutual funds	20,062,711	20,062,711
	\$ 20,128,572	\$ 20,128,572

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amounted to \$24,645 and \$26,217 for the years ended 2022 and 2021, respectively and have been netted against investment revenues in the accompanying Statements of Activities.

**NOTE 4 – ANNUAL CAMPAIGN**

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, 2022 and 2021, the Foundation received \$23,876 and \$22,081, respectively in donations during the annual campaign.

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



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

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment is summarized as follows at December 31:

	<u>2022</u>
Furniture & fixtures	\$ 5,846
	<u>5,846</u>
Less accumulated depreciation	195
	<u>\$ 5,651</u>

Depreciation expense was \$195 in 2022.

**NOTE 6 – GRANT PAYABLE**

The Foundation has approved grants that have not been paid to UPMC Chautauqua W.C.A. totaling \$831,725 and \$769,295 as of December 31, 2022 and 2021, respectively.

**NOTE 7 – 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, 2022, and 2021, the Foundation made grants that benefited UPMC Chautauqua W.C.A. totaling \$708,612 and \$610,981, 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 8 – 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.

<b>W.C.A. FOUNDATION, INC.</b> <b>NOTES TO FINANCIAL STATEMENTS</b>
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**NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)**

	2022	2021
Financial assets at year end	\$ 16,853,153	\$ 20,385,386
Less those unavailable for general expenditures		
Within one year due to:		
Donor restricted: Perpetual in nature	(3,375,169)	(3,316,196)
Donor restricted: Purpose restricted	(746,677)	(1,567,744)
Agency Funds	(185,951)	(166,542)
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,545,356	\$ 15,334,904

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 9 – 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, 2022 and 2021 the Foundation charged \$751 and \$1,857, respectively to administer these funds. The income related to the 1% fee is included in investment income.

**NOTE 10 – 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.

**NOTE 11 - SUBSEQUENT EVENTS**

Events and transactions which have occurred from December 31, 2022 through March 6, 2023, 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.

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

<b>FOR THE YEAR ENDED DECEMBER 31, 2022</b>	Beginning Net Assets	Contributions	Realized Gains	Unrealized Gains	Investment Income Allocation	Admin Expense	Donations	Transfers	Ending Net Assets
<b>Net Assets with donor restriction: Perpetual in nature</b>									
R. Quintus and Sondra Anderson Fund	\$ 10,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,100
Carol B. Bogdan Memorial Cancer Treatment Fund	29,625	250	-	-	-	-	-	-	29,875
Marie Barone Memorial Fund	45,730	-	-	-	-	-	-	-	45,730
Rosemary Billquist Memorial Scholarship	34,011	751	-	-	-	-	-	-	34,762
Dennis P. Bush Memorial Fund	21,337	1,500	-	-	-	-	-	-	22,837
Florence G. Cass Fund	11,695	-	-	-	-	-	-	-	11,695
Dr. Harold M. & Joyce S. Childress Fund	1,519,218	-	-	-	-	-	-	-	1,519,218
Karen Crossley Scholarship Fund	11,684	-	-	-	-	-	-	-	11,684
Daniels Family Fund	40,000	-	-	-	-	-	-	-	40,000
Verland & Doris Danielson Fund	135,060	-	-	-	-	-	-	-	135,060
Clifford S. Davis Memorial Fund	232,834	-	-	-	-	-	-	-	232,834
Eaglesome Family Fund	17,007	1,870	-	-	-	-	-	-	18,877
Dr. Glen M. Ebersole Fund	15,050	350	-	-	-	-	-	-	15,400
Carol D. Evans Memorial Fund	108,777	-	-	-	-	-	-	-	108,777
Family Care Calls	5,411	-	-	-	-	-	-	-	5,411
Framed In Pink-Bowling Over Breast Cancer	13,600	9,918	-	-	-	-	-	-	57,153
A Fresh Start Fund	5,000	-	-	-	-	-	-	-	5,000
G.A. Family Services at Lutheran	13,530	1,200	-	-	-	-	-	-	14,730
Robert L. Gingell, M.D. Memorial Fund	12,915	550	-	-	-	-	-	-	13,465
Good Neighbor Fund	22,451	-	-	-	-	-	-	-	22,451
Grateful Patient Fund in honor of Dr. Wilson W. Shaw	5,450	-	-	-	-	-	-	-	5,450
Gritters Family Fund for Healthy Living	11,569	111	-	-	-	-	-	-	11,680
C. Donald and Marilyn L. Haglund and Family Fund	9,351	-	-	-	-	-	-	-	9,351
Hannah's Fun'd	10,928	-	-	-	-	-	-	-	10,928
Margaret S. Hitchcock Estate	7,000	1,000	-	-	-	-	-	-	8,000
Jamestown Mattress Pullan Family Fund	7,370	1,420	-	-	-	-	-	-	8,790
Daniel A. Johnson Scholarship Fund	11,500	1,000	-	-	-	-	-	-	12,500
Doctors Laha Family Fund	379,043	15,000	-	-	-	-	-	-	394,043
LINKS Charity Cancer Care Fund	25,125	-	-	-	-	-	-	-	25,125
Murray S. Marsh Scholarship Fund	10,000	-	-	-	-	-	-	-	10,000
Elizabeth Warner Marvin Fund	1,000	-	-	-	-	-	-	-	1,000
Elizabeth Warner Marvin Trust	10,140	260	-	-	-	-	-	-	10,400
Mary Lou Messina Nursing Scholarship Fund	85,975	-	-	-	-	-	-	-	85,975
Vincent and Kathleen Messina Family Fund	130,257	-	-	-	-	-	-	-	130,257
LaVerne M. Meyers Memorial Fund	6,794	50	-	-	-	-	-	-	6,844
Kellie Anne Murphy Memorial Fund	10,923	5,000	-	-	-	-	-	-	15,923
Paws for Love Fund	7,887	50	-	-	-	-	-	-	7,937
Patricia and James Phillips Family Fund	11,953	-	-	-	-	-	-	-	11,953
Judy Pollino Memorial Fund	42,079	7,150	-	-	-	-	-	-	49,229
Rapaport Family Fund	41,379	1,125	-	-	-	-	-	-	42,504
Dale C. and Rebecca I. Robbins Fund	35,032	8,998	-	-	-	-	-	-	44,030
Shades of Pink Fund	36,087	-	-	-	-	-	-	-	36,087
Betty Sheldon Starflight Fund	9,890	1,320	-	-	-	-	-	-	11,210
Brad and Becky Van Riper Digestive System Cancer Fund	13,525	-	-	-	-	-	-	-	13,525
WCA Auxiliary Fund	7,040	-	-	-	-	-	-	-	7,040
WCA Cancer Treatment Center Patient Assistance Fund	9,890	-	-	-	-	-	-	-	9,890
Vivian Wettingfield Nursing Education Fund	26,739	100	-	-	-	-	-	-	26,839
Allen J. and Barbara B. Yahn Family Fund									
<b>Total net assets with donor restrictions: Perpetual in nature</b>	<b>3,316,196</b>	<b>58,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,375,169</b>

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

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

<b>FOR THE YEAR ENDED DECEMBER 31, 2021</b>	Beginning Net Assets	Contributions	Realized Gains	Unrealized Gains	Investment Income Allocation	Admin Expense	Donations	Transfers	Ending Net Assets
<b>Net Assets with donor restrictions: Purpose restricted</b>									
<b>Income counterparts are perpetual in nature</b>									
R. Quintus and Sondra Anderson Fund	3,969	-	258	(2,580)	242	(114)	(491)	-	1,284
Carol B. Bogdan Memorial Cancer Treatment Fund	19,589	-	904	(9,010)	849	(404)	(1,717)	-	10,211
Marie Barone Memorial Fund	24,702	-	1,296	(12,921)	1,212	(577)	(2,457)	-	11,255
Rosemary Billquist Memorial Scholarship	10,693	-	822	(8,289)	781	(371)	(1,587)	-	2,049
Dennis P. Bush Memorial Fund	10,761	-	583	(5,775)	564	(266)	(1,120)	-	4,747
Florence G. Cass Fund	5,241	-	312	(3,107)	291	(139)	(591)	-	2,007
Dr. Harold M. & Joyce S. Childress Fund	976,307	-	45,899	(457,801)	42,920	(20,450)	(87,049)	-	499,826
Karen Crossley Scholarship Fund	7,642	-	356	(3,545)	332	(159)	(674)	-	3,952
Daniels Family Fund	2,021	-	773	(7,709)	723	(345)	(1,781)	7,073	755
Verland & Doris Danielson Fund	99,290	-	4310	(42,991)	4,030	(1,920)	(8,175)	-	54,544
Eaglesome Family Fund	11,169	-	489	(5,188)	506	(240)	(1,043)	-	5,693
Dr. Glen M. Ebersole Fund	8,784	-	446	(4,437)	416	(199)	(844)	-	4,166
Carol D. Evans Memorial Fund	29,899	-	2,551	(25,440)	2,385	(1,137)	(4,842)	112	3,528
Family Care Calls	569	-	110	(1,097)	103	(48)	(241)	725	121
Framed In Pink-Bowling Over Breast Cancer	14,837	-	1,080	(10,652)	1,147	(525)	(2,186)	-	3,701
A Fresh Start Fund	4,631	-	336	(3,344)	314	(150)	(636)	-	1,151
G.A. Family Services at Lutheran	1,691	-	123	(1,228)	114	(54)	(233)	-	413
Robert L. Gingell, M.D. Memorial Fund	5,486	-	362	(3,661)	346	(165)	(707)	-	1,661
Good Neighbor Fund	3,200	-	281	(2,936)	282	(134)	(599)	319	413
Grateful Patient Fund in honor of Dr. Wilson W. Shaw	8,749	-	573	(5,723)	536	(256)	(1,088)	-	2,791
Gritters Family Fund for Healthy Living	548	-	360	(3,592)	337	(160)	(683)	-	(3,190)
C. Donald and Marilyn L. Haglund and Family Fund	8,010	-	225	(2,237)	210	(101)	(425)	-	5,682
Hannah's Fun'd	2,735	-	110	(1,099)	103	(49)	(243)	750	2,307
Margaret S. Hitchcock Estate	11,416	-	412	(4,099)	383	(183)	(779)	-	7,150
Jamestown Mattress Pullan Family Fund	2,749	-	174	(1,714)	176	(81)	(340)	-	964
Daniel A. Johnson Scholarship Fund	778	-	173	(1,747)	165	(78)	(391)	1,287	187
Doctors Laha Family Fund	3,528	-	272	(2,681)	265	(125)	(524)	-	735
LINKS Charity Cancer Care Fund	29,920	-	7,687	(77,406)	7,283	(3,466)	(14,799)	50,781	-
Murray S. Marsh Scholarship Fund	13,399	-	709	(7,068)	662	(316)	(1,344)	-	6,042
Elizabeth Warner Marvin Fund	16,392	-	486	(4,843)	453	(216)	(921)	-	11,351
Elizabeth Warner Marvin Trust	772	-	32	(325)	30	(15)	(62)	-	432
Mary Lou Messina Nursing Scholarship Fund	8,546	-	339	(3,441)	324	(156)	(662)	-	4,950
Vincent and Kathleen Messina Family Fund	35,113	-	2,227	(22,214)	2,083	(992)	(4,224)	-	11,993
LaVerne M. Meyers Memorial Fund	61,164	-	3,520	(35,116)	3,292	(1,569)	(6,677)	-	24,614
Kellie Anne Murphy Memorial Fund	3,096	-	183	(1,820)	170	(82)	(347)	-	1,200
Paws for Love	866	-	60	(1,906)	248	(119)	(709)	1,929	369
Patricia and James Phillips Family Fund	3,270	-	205	(2,053)	193	(91)	(391)	-	1,133
Judy Pollino Memorial Fund	5,418	-	320	(3,186)	299	(143)	(606)	-	2,102
Rapaport Family Fund	12,159	-	963	(9,411)	990	(454)	(1,892)	-	2,355
Dale C. and Rebecca I. Robbins Fund	20,169	-	1,107	(11,237)	1,069	(508)	(2,182)	-	8,418
Shades of Pink	7,233	-	532	(7,257)	808	(530)	(1,902)	2,429	1,313
Betty Sheldon Starflight Fund	33,211	-	1,275	(12,713)	1,192	(567)	(2,417)	-	19,981
Brad and Becky Van Riper Fund	3,464	-	268	(2,673)	251	(120)	(509)	-	681
WCA Auxiliary Fund	2,280	-	292	(2,900)	271	(130)	(602)	1,141	352
WCA Cancer Treatment Center Patient Assistance Fund	3,436	-	193	(1,922)	181	(85)	(365)	-	1,438
Vivian Wettingfield Nursing Education Fund	7,236	-	315	(3,142)	295	(140)	(597)	-	3,967
Allen J. and Barbara B. Yahn Family Fund	21,606	-	891	(8,887)	834	(396)	(1,690)	-	12,358
<b>Non-endowed funds</b>									
Howard Hannah Holt	-	2,500	-	-	-	-	-	-	2,500
R. Jerrold Melville	-	1,025	-	-	-	-	-	-	1,025
<b>Total net assets with donor restrictions:</b>	<b>1,567,744</b>	<b>3,525</b>	<b>85,194</b>	<b>(854,123)</b>	<b>80,660</b>	<b>(38,525)</b>	<b>(164,344)</b>	<b>66,546</b>	<b>746,677</b>
<b>Purpose restricted</b>	<b>1,567,744</b>	<b>3,525</b>	<b>85,194</b>	<b>(854,123)</b>	<b>80,660</b>	<b>(38,525)</b>	<b>(164,344)</b>	<b>66,546</b>	<b>746,677</b>

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

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

<b>FOR THE YEAR ENDED DECEMBER 31, 2021</b>	Beginning Net Assets	Contributions	Realized Gains	Unrealized Gains	Investment Income Allocation	Admin Expense	Donations	Transfers	Ending Net Assets
<b>Net Assets without donor restrictions</b>									
Fund for the Hospital	311,737	23,981	5,688	(56,127)	5,558	(4,449)	(20,860)	(66,546)	198,982
Clifford S. Davis Memorial Fund*	4,477,857	-	82,357	(821,458)	77,017	(36,693)	(156,198)	-	3,622,882
Hoag Estate*	2,378,289	-	48,024	(479,007)	44,910	(21,397)	(80,717)	-	1,890,102
Starr Trust*	6,360,178	-	116,979	(1,166,767)	109,389	(52,118)	(221,857)	-	5,145,804
Elizabeth Garatt Taylor*	1,024,945	-	18,851	(188,025)	17,628	(8,399)	(35,752)	-	829,248
<b>Total net assets without donor restrictions</b>	<u>14,553,006</u>	<u>23,981</u>	<u>271,899</u>	<u>(2,711,384)</u>	<u>254,502</u>	<u>(123,056)</u>	<u>(515,384)</u>	<u>(66,546)</u>	<u>11,687,018</u>
<b>Total net assets</b>	<u>\$ 19,436,946</u>	<u>\$ 86,479</u>	<u>\$ 357,093</u>	<u>\$ (3,565,507)</u>	<u>\$ 335,162</u>	<u>\$ (161,581)</u>	<u>\$ (679,728)</u>	<u>\$ -</u>	<u>\$ 15,808,864</u>

\*Board Designated