

# CHP 11-99 Foundation

(A California Not-for-Profit Corporation)

Financial Report

Years Ended December 31, 2021 and 2020

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
CHP 11-99 Foundation  
Costa Mesa, California

### **Qualified Opinion**

We have audited the accompanying financial statements of CHP 11-99 Foundation (A California Not-for-Profit Corporation) (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of CHP 11-99 Foundation as of December 31, 2021 and 2020, 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 Qualified Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As explained in Note 3 to the financial statements, the CHP 11-99 Foundation has excluded certain promises to give from contributions receivable and donation revenues in the accompanying statements of financial position and activities and changes in net assets, respectively. Accounting principles generally accepted in the United States of America require that unconditional promises to give be recognized as income at the time a promise is received.

### **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 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 GAAS 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 are considered material if there is 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 GAAS, 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.

A handwritten signature in black ink that reads "Hutchison and Bloodgood LLP". The signature is written in a cursive, flowing style.

Glendale, California  
October 27, 2022

**CHP 11-99 FOUNDATION**

Statements of Financial Position  
December 31, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Current assets		
Cash	\$ 5,256,650	\$ 3,972,648
Other receivables	26,522	53,594
Prepaid expenses	41,574	43,984
Other current assets	256,050	255,585
Total current assets	<u>5,580,796</u>	<u>4,325,811</u>
Investment portfolios, Capital Guardian		
Cash and cash equivalents - investment portfolio	1,181,072	2,243,793
Investments	73,674,976	64,584,071
Total Investment Portfolios, Capital Guardian	<u>74,856,048</u>	<u>66,827,864</u>
Property and equipment, net	<u>2,357,708</u>	<u>2,351,193</u>
Other assets	--	1,000
Total assets	<u>\$ 82,794,552</u>	<u>\$ 73,505,868</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 638,403	\$ 614,776
Deferred income	17,500	12,500
Total current liabilities	655,903	627,276
Net assets	<u>82,138,649</u>	<u>72,878,592</u>
Total liabilities and net assets	<u>\$ 82,794,552</u>	<u>\$ 73,505,868</u>

**CHP 11-99 FOUNDATION**Statements of Activities and Changes in Net Assets  
Years Ended December 31, 2021 and 2020

	2021	2020
Support and revenues		
Donations	<u>\$ 2,648,758</u>	<u>\$ 2,167,950</u>
Supporter contributions	<b>3,079,403</b>	2,976,938
Less related costs	<u>455,418</u>	<u>411,635</u>
	<u><b>2,623,985</b></u>	<u>2,565,303</u>
Golf and fundraiser events	<b>1,000,281</b>	1,025,706
Less related costs	<u>440,343</u>	<u>346,283</u>
	<u><b>559,938</b></u>	<u>679,423</u>
Solicitations and appeals	<b>620,066</b>	485,727
Less related costs	<u>256,446</u>	<u>195,247</u>
	<u><b>363,620</b></u>	<u>290,480</u>
Investment gain	<b>7,377,684</b>	8,394,588
Miscellaneous income	<u>67,540</u>	<u>65,350</u>
	<u><b>7,445,224</b></u>	<u>8,459,938</u>
Net support and revenues	<b>13,641,525</b>	14,163,094
Operating expenses - administrative	<b>(1,378,128)</b>	(1,359,017)
Scholarship program	<b>(2,558,577)</b>	(2,090,810)
Benefits and related programs	<u><b>(444,763)</b></u>	<u>(243,284)</u>
Change in net assets	<b>9,260,057</b>	10,469,983
Net assets at beginning of year	<u><b>72,878,592</b></u>	<u>62,408,609</u>
Net assets at end of year	<u><b>\$ 82,138,649</b></u>	<u>\$ 72,878,592</u>

**CHP 11-99 FOUNDATION**

## Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 9,260,057</u>	<u>\$ 10,469,983</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	45,975	24,733
Net realized and unrealized gain on investments	(5,749,885)	(7,534,952)
Stock donations	(154,051)	(23,876)
Change in operating assets and liabilities		
Other receivables	27,072	38,407
Prepaid expenses	2,410	24,825
Other current assets	(465)	31,058
Other assets	1,000	9,817
Accounts payable and accrued expenses	23,627	248,273
Deferred income	5,000	(58,905)
Total adjustments	<u>(5,799,317)</u>	<u>(7,240,620)</u>
Net cash provided by operating activities	<u>3,460,740</u>	<u>3,229,363</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(21,864,298)	(28,444,752)
Proceeds from sale of investments	18,677,329	27,818,429
Purchase of property and equipment	<u>(52,490)</u>	<u>(2,354,456)</u>
Net cash used in investing activities	<u>(3,239,459)</u>	<u>(2,980,779)</u>
Net increase in cash and cash equivalents	221,281	248,584
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>6,216,441</u>	<u>5,967,857</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 6,437,722</u></u>	<u><u>\$ 6,216,441</u></u>
<b>CASH AND CASH EQUIVALENTS INCLUDE THE FOLLOWING:</b>		
Cash and cash equivalents - operations	\$ 5,256,650	\$ 3,972,648
Cash and cash equivalents - investment portfolio	<u>1,181,072</u>	<u>2,243,793</u>
Total cash and cash equivalents reflected in the statements of cash flows	<u><u>\$ 6,437,722</u></u>	<u><u>\$ 6,216,441</u></u>

**CHP 11-99 FOUNDATION**  
(A California Not-for-Profit Corporation)

Notes to Financial Statements  
December 31, 2021 and 2020

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**NOTE 1. ORGANIZATION**

The CHP 11-99 Foundation (A California Not-for-Profit Corporation) (the Foundation) located in Costa Mesa, California, was founded in 1981 as a charitable nonprofit organization. The Foundation's purpose is to provide benefits and scholarships to California Highway Patrol (CHP) employees and their families.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:** The financial statements of the Foundation are prepared on the accrual basis. The Foundation is required to report information regarding its financial position and activities according to two (2) classes of net assets: net assets without donor restrictions (unrestricted) and net assets with donor restrictions (restricted), based on the existence or absence of donor-imposed restrictions. As of December 31, 2021 and 2020, all net assets of the Foundation are reflected as unrestricted.

**Donated Services:** No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services.

**Cash and Cash Equivalents:** The Foundation considers all highly-liquid investments available for current use with an initial maturity of three (3) months or less, when purchased, to be cash equivalents.

**Investments:** Investments in marketable securities, debt securities and mutual funds are reported at fair value in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities and changes in net assets.

Investments acquired by gift are recorded at fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after receipt.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains or losses on the sale of marketable securities are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair value of the individual investments for the year, or since the acquisition date, if acquired during the year.

**Other Current Assets:** Other current assets include inventories that are distributed with new memberships, distributed on a complimentary basis, sold to existing members, or sold at various events. Inventories are stated at the lower of average cost or net realizable value.

**Property, Equipment, and Depreciation:** Property and equipment are recorded at acquisition cost. Depreciation is computed using the straight-line or accelerated method over the assets estimated useful lives of five to seven years.

**Other Assets:** As of December 31, 2020, other assets included the carrying value of a vehicle, owned by the Foundation, and leased for the benefit of one (1) officer's family. The cost of the vehicle for the year ended December 31, 2020 was approximately \$50,000, and the vehicle had an estimated useful life of five (5) years with a \$1,000 residual value. As of December 31, 2020, the carrying value of the vehicle was approximately \$1,000. During the year ended December 31, 2021, the Foundation donated the vehicle to the officer's family.



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Notes to Financial Statements  
December 31, 2021 and 2020

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Scholarship Program:** The Foundation awards post-secondary level educational scholarships to CHP family members. Upon approval by the Scholarship Committee, scholarship expenditures are considered incurred and award letters are sent to the successful applicants and are expected to be paid within one (1) year. Scholarship funds are disbursed upon receipt of valid evidence of applicants' post-secondary level education enrollments. Scholarship funds not disbursed at year-end were included in accounts payable and accrued expenses as of December 31, 2021 and 2020, totaling approximately \$127,000 and \$134,000, respectively.

**Deferred Income:** The Foundation receives deposits toward membership from prospective members whose applications are pending approval until background checks have been completed. Such amounts at year-end are reflected as income in the current year. These amounts are recognized as income unless the prospective member fails a background check. Deferred income also includes deposits received prior to year-end for fund-raising events in the subsequent year.

**Revenue Recognition:** Other than deposits from new member applicants, member payments and all contributions are recognized as revenue when received. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

**Income Taxes:** The Foundation is a not-for-profit corporation as defined in Section 501(c)(3) of the Internal Revenue Code (the Code) and is, therefore, exempt from Federal income tax under Section 501(a) of the Code. In addition, the Foundation is a Section 509(a)(1) organization as defined in the Code and is not a private foundation. The Foundation is also exempt from state taxes under Section 23701d of the California Revenue and Taxation Code. Under applicable laws and regulations, the Foundation has been determined to be exempt from Federal income and California income and franchise taxes. In addition, the Foundation believes it has no income subject to unrelated business income taxes.

The Foundation's policy is to recognize tax positions in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of December 31, 2021, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. As of December 31, 2021, the Foundation's annual tax filings for the prior three (3) years are open for audit by the Internal Revenue Service and for the prior four (4) years by the Franchise Tax Board.

**Use of Estimates in the Preparation of Financial Statements:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Notes to Financial Statements  
December 31, 2021 and 2020

**NOTE 3. CONTRIBUTIONS RECEIVABLE**

Contributions receivables represent unconditional promises to give by donors and are recorded at net realizable value. At December 31, 2021 and 2020, the Foundation did not record any contributions receivable.

The Foundation has excluded certain promises to give and pledges from contributions receivable and donation revenues in the accompanying statements of financial position and activities and changes in net assets, respectively. These promises should be included to conform to U.S. GAAP. If accounted for in conformity with U.S. GAAP, as of December 31, 2021 and 2020, contributions receivable and net assets would have been increased by \$2,450,000 and \$1,563,966, respectively, and the change in net assets would have increased (decreased) by \$886,034 and \$(224,791), respectively.

**NOTE 4. INVESTMENTS**

Investments by major security types consisted of the following as of December 31:

	2021		2020	
	Cost	Market	Cost	Market
<b>Cash and cash equivalents</b>	\$ 1,181,072	\$ 1,181,072	\$ 2,243,793	\$ 2,243,793
<b>Fixed income</b>				
Asset and mortgage				
backed securities	611,199	612,635	356,168	364,925
Government and municipal				
bonds	3,377,825	3,446,698	3,217,382	3,393,911
Corporate bonds	1,790,886	1,808,182	1,407,348	1,495,695
Mutual funds	6,605,506	6,590,805	5,839,456	5,949,081
Sovereign Debt	36,824	36,118	11,951	11,970
<b>Equities</b>				
Foreign and domestic				
equity portfolio	30,833,490	51,688,754	26,924,361	43,992,659
Mutual funds	<u>7,500,545</u>	<u>9,491,784</u>	<u>6,843,865</u>	<u>9,375,830</u>
	<u>\$ 51,937,347</u>	<u>\$ 74,856,048</u>	<u>\$ 46,844,324</u>	<u>\$ 66,827,864</u>

The components of investment return were as follows for the years ended December 31:

	2021	2020
Interest, dividends, and other income	\$ 2,167,052	\$ 1,358,834
Net realized and unrealized gains on investments		
reported at fair value	5,749,885	7,534,952
Investment fees and other	<u>(539,253)</u>	<u>(499,198)</u>
Total investment gain	<u>\$ 7,377,684</u>	<u>\$ 8,394,588</u>

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Notes to Financial Statements  
December 31, 2021 and 2020

**NOTE 5. FAIR VALUE MEASUREMENT**

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

*Level 1:* Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. The fair value of investments in cash and cash equivalents, mutual funds, and common stocks are determined using Level 1 inputs.

*Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly, or indirectly. The fair value of investments in asset and mortgage backed securities, government and municipal bonds, and corporate bonds are determined using Level 2 inputs.

*Level 3:* Valuations based on inputs that are unobservable in the market and significant to the overall fair value measurement. For the years ended, December 31, 2021 and 2020, there were no investments valued based on Level 3 inputs.

Assets measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2021:

	Level 1	Level 2	Total
Cash and cash equivalents	\$ 1,181,072	\$ --	\$ 1,181,072
Asset and mortgage backed securities	--	612,635	612,635
Government and municipal bonds	--	3,446,698	3,446,698
Corporate bonds	--	1,808,182	1,808,182
Bond funds	6,590,805	--	6,590,805
Growth funds	9,491,784	--	9,491,784
Sovereign Debt	--	36,118	36,118
Common stocks			
Basic Materials	1,550,594	--	1,550,594
Cyclical Consumer Goods & Services	5,884,494	--	5,884,494
Energy	1,551,247	--	1,551,247
Financials	7,042,169	--	7,042,169
Healthcare	5,994,822	--	5,994,822
Industrials	6,877,783	--	6,877,783
Non-Cyclical Consumer Goods & Services	5,158,275	--	5,158,275
Technology	13,422,526	--	13,422,526
Utilities	1,822,316	--	1,822,316
Others	2,384,528	--	2,384,528
	<u>\$ 68,952,415</u>	<u>\$ 5,903,633</u>	<u>\$ 74,856,048</u>

**CHP 11-99 FOUNDATION**

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Notes to Financial Statements

December 31, 2021 and 2020

**NOTE 5. FAIR VALUE MEASUREMENT (Continued)**

Assets measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2020:

	Level 1	Level 2	Total
Cash and cash equivalents	\$ 2,243,793	\$ --	\$ 2,243,793
Asset and mortgage backed securities	--	364,925	364,925
Government and municipal bonds	--	3,393,911	3,393,911
Corporate bonds	--	1,495,695	1,495,695
Bond funds	5,949,081	--	5,949,081
Growth funds	9,375,830	--	9,375,830
Sovereign Debt	--	11,970	11,970
Common stocks			
Basic Materials	1,459,735	--	1,459,735
Cyclical Consumer Goods & Services	4,201,363	--	4,201,363
Energy	981,295	--	981,295
Financials	5,336,695	--	5,336,695
Healthcare	5,587,104	--	5,587,104
Industrials	5,852,674	--	5,852,674
Non-Cyclical Consumer Goods & Services	5,172,752	--	5,172,752
Technology	11,321,516	--	11,321,516
Utilities	1,515,117	--	1,515,117
Others	<u>2,564,408</u>	<u>--</u>	<u>2,564,408</u>
	<u>\$ 61,561,363</u>	<u>\$ 5,266,501</u>	<u>\$ 66,827,864</u>

**NOTE 6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

	2021	2020
Land and building	\$ 2,300,000	\$ 2,300,000
Furniture and equipment	<u>154,587</u>	<u>120,471</u>
	2,454,587	2,420,471
Less accumulated depreciation	<u>96,879</u>	<u>69,278</u>
	<u>\$ 2,357,708</u>	<u>\$ 2,351,193</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$45,975 and \$24,733, respectively.

During 2021, the Foundation disposed of assets with a net book value of approximately \$1,500. During 2020, the Foundation disposed of fully depreciated assets with a historic cost of \$107,893. During 2020, the Foundation purchased an office building in Costa Mesa and did not extend the lease for the Fullerton office.

**CHP 11-99 FOUNDATION**  
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Notes to Financial Statements  
December 31, 2021 and 2020

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**NOTE 7. DEFERRED INCOME**

The Foundation collects dues related to member applications, the approval for which is pending completion of background checks. Amounts collected for pending applications at December 31, 2021 and 2020 were \$10,000 and \$12,500, respectively.

The Foundation also receives deposits for future fundraising events. Advance deposits received as of December 31, 2021 and 2020 were \$7,500 and \$0, respectively.

**NOTE 8. CONCENTRATIONS OF CREDIT RISK**

The Foundation's financial instruments that are exposed to concentrations of credit risk include cash, cash equivalents, and investments.

The Foundation's cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2021, all accounts at an FDIC-insured institution are insured up to \$250,000 per financial institution. Periodically, the Foundation may maintain balances in excess of insured amounts for interest and non-interest bearing deposit accounts.

The Foundation has significant investments in cash and cash equivalents, common stocks, government obligations and corporate bonds, mortgage backed securities and mutual funds and the investments are subject to concentrations of credit risk. The investments, in general, are subject to various risks, such as interest rate, credit, and overall market volatility risk. Additionally, the value, liquidity, and related income of the investment securities are sensitive to changes in economic conditions and may be affected by shifts in the market's perception of issuers and changes in interest rates. Certain investments are less liquid and may have restrictions on their sale. Forced liquidation, although not expected at this time, may affect the estimated value of such investments. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investments are made by investment managers engaged by the Foundation and the investments are monitored for the Foundation by an investment advisor. Though the market value of investments is subject to fluctuation on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Foundation and its beneficiaries.

**NOTE 9. DEFINED CONTRIBUTION PLAN**

The Foundation approved a tax sheltered annuity plan (the Plan), effective May 1999 and amended during the year ended December 31, 2013. Full-time salaried employees, who have completed 90 days of employment are eligible to participate in the Plan and make elective salary deferral contributions. The Plan allows discretionary non-matching and matching employer contributions to the Plan. For the years ended December 31, 2021 and 2020, the Foundation paid \$101,784 and \$94,642, respectively, in employer matching contributions.

**CHP 11-99 FOUNDATION**  
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Notes to Financial Statements  
December 31, 2021 and 2020

**NOTE 10. EXPENSES BY NATURE AND FUNCTION**

The Foundation's primary program activities are contributions, golf and fundraiser, and scholarship and benefits distribution. Expenses reported as supporting activities are incurred in support of these primary program activities. Operating expenses incurred for the following Foundation programs and support services were as follows:

**Year Ended December 31, 2021**

	Foundation Programs			Supporting Services		
	Cost of Sales	Payroll and Related	Operating	Payroll and Related	Other	Total
Supporter contributions	\$ --	\$ 113,177	\$ 342,241	\$ --	\$ --	\$ 455,418
Golf and fundraiser events	--	96,148	344,195	--	--	440,343
Solicitation and appeals	--	37,678	218,768	--	--	256,446
Scholarship and related	--	26,388	2,532,189	--	--	2,558,577
Benefits and related	--	3,422	441,341	--	--	444,763
General and administrative	--	463,123	--	577,989	337,016	1,378,128
Total departmental and operating expenses	<u>\$ --</u>	<u>\$ 739,936</u>	<u>\$3,878,734</u>	<u>\$ 577,989</u>	<u>\$ 337,016</u>	<u>\$5,533,675</u>

**Year Ended December 31, 2020**

	Foundation Programs			Supporting Services		
	Cost of Sales	Payroll and Related	Operating	Payroll and Related	Other	Total
Supporter contributions	\$ --	\$ 62,658	\$ 348,977	\$ --	\$ --	\$ 411,635
Golf and fundraiser events	--	127,863	218,420	--	--	346,283
Solicitation and appeals	--	122,203	73,044	--	--	195,247
Scholarship and related	--	27,000	2,063,810	--	--	2,090,810
Benefits and related	--	2,086	241,198	--	--	243,284
General and administrative	--	352,685	48,992	680,047	277,293	1,359,017
Total departmental and operating expenses	<u>\$ --</u>	<u>\$ 694,495</u>	<u>\$2,994,441</u>	<u>\$ 680,047</u>	<u>\$ 277,293</u>	<u>\$4,646,276</u>

**NOTE 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation's financial assets as of December 31, 2021 and 2020. As of December 31, 2021 and 2020, there are no amounts unavailable for general use because of contractual or donor-imposed restrictions within one year.

	2021	2020
Cash and cash equivalents – operations	\$ 5,256,650	\$ 3,972,648
Cash and cash equivalents – investment portfolio	1,181,072	2,243,793
Investments	73,674,976	64,584,071
Other receivables	<u>26,522</u>	<u>53,594</u>
Financial assets available to meet cash needs for general expenditure within one (1) year	<u>\$ 80,139,220</u>	<u>\$ 70,854,106</u>

**CHP 11-99 FOUNDATION**

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Notes to Financial Statements

December 31, 2021 and 2020

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**NOTE 12. SUBSEQUENT EVENTS**

The Foundation has reviewed and evaluated all other events through October 27, 2022, the date these financial statements were available to be issued, and has determined that no events require recognition or disclosure in the accompanying financial statements.

**NOTE 13. CORONAVIRUS AND PAYCHECK PROTECTION PROGRAM LOAN**

The Foundation is subject to risks and uncertainties as a result of the coronavirus (COVID-19). As of December 31, 2021, the Foundation has not suffered any material negative financial impact due to COVID-19 and the Foundation does not believe it will experience any long term negative impact due to COVID-19.

In connection with COVID-19, during the year ended December 31, 2020, the Foundation received loan proceeds of \$230,062 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times average monthly payroll expenses. PPP loans and accrued interest are forgivable as long as the borrower uses PPP loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains payroll levels during what is termed the "covered period." During the year ended December 31, 2020, the Foundation recognized loan forgiveness in the amount of \$230,062, and the Foundation received formal notification of forgiveness during the year ended December 31, 2021.