

FOUNDATION FOR FINANCIAL PLANNING, INC.

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019
with
INDEPENDENT AUDITORS' REPORT

FOUNDATION FOR FINANCIAL PLANNING, INC.
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December 31, 2020 and 2019

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Reed, Quinn & McClure, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Foundation for Financial Planning, Inc.

We have audited the accompanying financial statements of the Foundation for Financial Planning, Inc. (“the Foundation”) which comprises the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 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 conformity with accounting principles generally accepted in the United States of America.

Reed, Quinn & McClure, LLC

Lawrenceville, Georgia
September 14, 2021

FOUNDATION FOR FINANCIAL PLANNING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 400,203	\$ 364,418
Investments	23,653,140	22,241,632
Unconditional promises to give, net	1,922,958	1,866,911
Prepaid expense	11,475	5,599
Computer equipment and software, net	28,443	20,011
Total assets	<u>\$ 26,016,219</u>	<u>\$ 24,498,571</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants payable	\$ 410,359	\$ 402,500
Accounts payable and accrued liabilities	122,221	100,039
	<u>532,580</u>	<u>502,539</u>
NET ASSETS		
Without restrictions	23,313,880	21,702,362
Board designated	1,000,000	1,000,000
Total net assets without restrictions	<u>24,313,880</u>	<u>22,702,362</u>
With restrictions	1,169,759	1,293,670
Total net assets	<u>25,483,639</u>	<u>23,996,032</u>
Total liabilities and net assets	<u>\$ 26,016,219</u>	<u>\$ 24,498,571</u>

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

FOUNDATION FOR FINANCIAL PLANNING, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	WITHOUT RESTRICTION	WITH RESTRICTIONS	TOTAL	WITHOUT RESTRICTION	WITH RESTRICTIONS	TOTAL
REVENUE AND SUPPORT						
Contributions	\$ 50,747	\$ 1,031,978	\$ 1,082,725	\$ 75,919	\$ 1,409,175	\$ 1,485,094
Advertising - donated	196,175		196,175	268,625	-	268,625
Investment income	1,897,536	-	1,897,536	3,109,427	-	3,109,427
Other income	10,566	-	10,566	161	-	161
Total revenues and support	<u>2,155,024</u>	<u>1,031,978</u>	<u>3,187,002</u>	<u>3,454,132</u>	<u>1,409,175</u>	<u>4,863,307</u>
Net assets released from restrictions	<u>1,155,889</u>	<u>(1,155,889)</u>	<u>-</u>	<u>831,011</u>	<u>(831,011)</u>	<u>-</u>
EXPENSES						
Program services:						
Grants	722,676	-	722,676	619,688	-	619,688
National programs	565,859	-	565,859	652,708	-	652,708
Total program services	<u>1,288,535</u>	<u>-</u>	<u>1,288,535</u>	<u>1,272,396</u>	<u>-</u>	<u>1,272,396</u>
General and administrative	234,921	-	234,921	212,836	-	212,836
Fund raising	175,939	-	175,939	202,771	-	202,771
Total expenses	<u>1,699,395</u>	<u>-</u>	<u>1,699,395</u>	<u>1,688,003</u>	<u>-</u>	<u>1,688,003</u>
Change in Net Assets	1,611,518	(123,911)	1,487,607	2,597,140	578,164	3,175,304
Net assets - beginning of year	<u>22,702,362</u>	<u>1,293,670</u>	<u>23,996,032</u>	<u>20,105,222</u>	<u>715,506</u>	<u>20,820,728</u>
Net assets - end of year	<u>\$ 24,313,880</u>	<u>\$ 1,169,759</u>	<u>\$ 25,483,639</u>	<u>\$ 22,702,362</u>	<u>\$ 1,293,670</u>	<u>\$ 23,996,032</u>

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

FOUNDATION FOR FINANCIAL PLANNING
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>GRANTS</u>	<u>NATIONAL PROGRAMS</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 169,211	\$ 411,599	\$ 580,810	\$ 93,354	\$ 87,406	\$ 761,570
Employee benefits	14,435	35,112	49,547	7,964	7,456	64,967
Payroll taxes	11,142	27,104	38,246	6,147	5,756	50,149
Total personnel costs	<u>194,788</u>	<u>473,815</u>	<u>668,603</u>	<u>107,465</u>	<u>100,618</u>	<u>876,686</u>
Advertising - donated	65,392	65,392	130,784	-	65,392	196,176
Depreciation	1,972	4,798	6,770	1,088	1,019	8,877
Dues and subscriptions	606	1,273	1,879	9,545	-	11,424
Grants	425,480	-	425,480	-	-	425,480
Grants to Chapters	26,589	-	26,589	-	-	26,589
Insurance expense	2,347	5,710	8,057	1,295	1,213	10,565
Merchant fees	-	-	-	7,892	-	7,892
Miscellaneous	-	-	-	258	-	258
Office rent	4,935	12,005	16,940	2,723	2,549	22,212
Office supplies	-	800	800	1,465	-	2,265
Postage	-	-	-	172	-	172
Printing and publications	-	384	384	2,864	5,148	8,396
Professional services	-	1,500	1,500	89,523	-	91,023
Telecommunications	-	-	-	4,670	-	4,670
Travel and events	567	182	749	5,961	-	6,710
Total	<u>\$ 722,676</u>	<u>\$ 565,859</u>	<u>\$ 1,288,535</u>	<u>\$ 234,921</u>	<u>\$ 175,939</u>	<u>\$ 1,699,395</u>

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

FOUNDATION FOR FINANCIAL PLANNING
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>GRANTS</u>	<u>NATIONAL PROGRAMS</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 126,021	\$ 444,779	\$ 570,800	\$ 88,956	\$ 81,543	\$ 741,299
Employee benefits	7,528	26,570	34,098	5,314	4,871	44,283
Payroll taxes	7,945	28,041	35,986	5,608	5,141	46,735
Total personnel costs	<u>141,494</u>	<u>499,390</u>	<u>640,884</u>	<u>99,878</u>	<u>91,555</u>	<u>832,317</u>
Advertising - donated	89,542	89,542	179,084	-	89,542	268,626
Depreciation	761	2,686	3,447	537	492	4,476
Dues and subscriptions	-	2,160	2,160	8,647	-	10,807
Grants	364,250	-	364,250	-	-	364,250
Grants to Chapters	1,050	-	1,050	-	-	1,050
Insurance expense	800	2,401	3,201	4,801	-	8,002
Merchant fees	-	-	-	10,997	-	10,997
Miscellaneous	-	-	-	133	-	133
Office rent	3,857	13,614	17,471	2,723	2,495	22,689
Office supplies	-	-	-	1,878	-	1,878
Postage	-	-	-	2,892	-	2,892
Printing and publications	-	1,000	1,000	1,026	5,307	7,333
Professional services	8,453	8,453	16,906	72,165	7,245	96,316
Telecommunications	-	-	-	467	-	467
Travel and events	9,481	33,462	42,943	6,692	6,135	55,770
Total	<u>\$ 619,688</u>	<u>\$ 652,708</u>	<u>\$ 1,272,396</u>	<u>\$ 212,836</u>	<u>\$ 202,771</u>	<u>\$ 1,688,003</u>

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

FOUNDATION FOR FINANCIAL PLANNING, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
INCREASE (DECREASE) IN CASH

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 1,487,607	\$ 3,175,304
Adjustments necessary to reconcile increase in net assets to cash provided by operating activities:		
Non-cash contributions	-	(47,457)
Depreciation	8,877	4,476
Net realized and unrealized (gains) losses on investments	(1,603,000)	(2,581,876)
(Increase) Decrease in promises to give	(56,047)	(372,389)
(Increase) Decrease in prepaid expenses	(5,876)	1,133
Increase (Decrease) in accounts payable	7,859	10,258
Increase (Decrease) in grants payable	22,182	(113,499)
Net cash provided by operating activities	<u>(138,398)</u>	<u>75,950</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	500,000	385,000
Purchase of investments, net	(308,508)	(527,519)
Purchases of equipment	<u>(17,309)</u>	<u>(8,750)</u>
Net cash provided(used) from investing activities	<u>174,183</u>	<u>(151,269)</u>
Net increase(decrease) in cash	35,785	(75,319)
Cash - beginning of year	<u>364,418</u>	<u>439,737</u>
Cash - end of year	<u>\$ 400,203</u>	<u>\$ 364,418</u>
Supplemental information		
Income recognized - noncash		
In Kind contributions	\$ 196,175	\$ 268,625
Donated securities	-	47,457
Total income from noncash sources	<u>\$ 196,175</u>	<u>\$ 316,082</u>
Expenses recognized - non-cash		
Advertising expense	<u>196,175</u>	<u>268,625</u>
Total non-cash expense	<u>\$ 196,175</u>	<u>\$ 268,625</u>

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

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

1. ORGANIZATION

Foundation for Financial Planning Inc. (the Foundation) is a not-for-profit financial educational organization. It helps develop and support programs connecting vulnerable families and individuals to free quality financial advice. In 2018, the Foundation launched a new signature initiative, Pro Bono for Cancer, connecting hundreds of families affected by cancer with volunteer financial planners across the country. It also continued to support efforts that benefited low-income individuals and their families, low-income home buyers, military and veterans, domestic violence survivors, and many other underserved groups.

The Foundation

- Provides grants to local and national nonprofits to support programs linking financial planners to families who could not otherwise afford quality guidance.
- Helps recruit and connect volunteer financial planners to people in need through targeted outreach and working with corporate and association partners.
- Develops innovative program models with key partners to reach populations where it can have a particularly strong impact, like military families and people affected by cancer.
- Offers free financial planning resources to people in need and the volunteers that help them, including training and best practices for volunteer planners.
- Raises awareness of the financial advice profession's commitment to pro bono through community events, national conferences, digital and traditional media, and more.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without restrictions and net assets with restrictions.

Estimates

Financial statements prepared in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates

Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The IRS has determined the Foundation is not a private foundation. Accordingly, no provision for income taxes is necessary.

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value of Financial Instruments

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels used to measure fair value are as follows:

- Level 1 Quoted prices in an active market for identical assets or liabilities;
- Level 2 Observable inputs other than quoted market prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities; this includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs

The Foundation has estimated the fair values of its financial instruments on Level 1 and Level 3 (see note 9). The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes applicable to such items. Cash and cash equivalents and accounts payable are stated at cost, which approximates fair value, due to their short-term maturity,

Cash and Cash Equivalent

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash on deposit with banks. The Foundation considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents, except money market funds held as part of the Foundation's investment portfolio. Such funds are not considered to be cash equivalents for purposes of the statement of cash flows.

Investments

Investments are stated at fair market value if such value is readily determinable (Level 1). Donated investments are included as contribution income based on the estimated fair market value as of the date of the gift. Unrealized gains and losses are included in the change in net assets in the statement of activities.

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Promises to Give

Promises to give are recorded at their net realizable value based on Level 3 inputs (See Note 4). Promises to give received after one year are discounted at an appropriate discount rate based on management's estimate of the risks involved. Amortization of the discount is recorded annually as additional contribution revenue. The Foundation uses the allowance method to determine estimated uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At December 31, 2020 and 2019, the allowance was \$82,716 and \$87,641, respectively.

Property and equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over useful lives. Depreciation of property and equipment and amortization of the website is computed using the straight-line method and charged to operations over the estimated useful life of five (5) years.

Contributions

Contributions are recorded as without restriction or with restriction depending on the existence and/or nature of any donor restrictions. The donor's restriction must be a specific purpose restriction or a specific time restriction. Net assets with restrictions are reclassified to net assets without restriction upon satisfaction of the donor restriction. The reclassification is referred to on the statement of activities as net assets released from restriction.

Contributions of Non-monetary Assets, including Services

Contributions of non-monetary assets are recorded at fair value at the date of receipt, including contributions of services that can be measured by the creation or enhancement of a non-financial asset. Fair value is based on quoted market prices or other objective valuation techniques. Donated services received that create or enhance non-financial assets or require specialized skills that would need to be purchased, if not donated, are recognized as in-kind contributions at their fair value.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimate of time spent on such activities.

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Advertising

The Foundation uses advertising to promote its programs among the audiences it serves. The Foundation received free advertising pages in several leading publications in the financial advisor market. The Foundation received a commitment of free advertising in 2019 for a total of \$400,000 for the years ending December 31, 2020 and 2019. Donated advertising revenues are recognized when the free advertising pages are published. At December 31, 2020 and 2019 donated advertising revenue and expense was \$196,175 and \$268,625, respectively.

Subsequent Events

In preparing these financial statements the Foundation has evaluated events and transactions for potential recognition or disclosure through September 14, 2021, the date the financial statements were available to be issued. All such transactions have been recognized, if appropriate.

3. CONCENTRATIONS

Unconditional promises to give

At December 31, 2020, two corporate donors represented 29% of promises to give. At December 31, 2019, one corporate donor represented 25% of promises to give.

Credit Risk

The Foundation maintains its cash balances in accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At December 31, 2020 and 2019, the Foundation had balances in excess of the FDIC limits of approximately and \$263,760 and \$638,594, respectively.

Market Risk

The Foundation also invests funds in a professionally managed portfolio that contains various securities detailed in Note 4. The portfolio includes professionally managed funds that invest in common stocks, mutual funds, and exchange-traded funds, which are reported at their estimated fair value as determined by fund managers. Management believes the fund manager's estimates to be reasonable approximations of the fair values of these investments. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least possible that changes in these risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

FOUNDATION FOR FINANCIAL PLANNING, INC.
 NOTES TO FINANCIAL STATEMENTS (Continued)
 December 31, 2020 and 201

4. INVESTMENTS

Investments are measured at fair value Level 1. The fair value calculation may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments consisted of the following:

	<u>2020</u>	<u>2019</u>
Cash and money market funds	\$ 714,203	\$ 1,341,708
Mutual funds	11,973,264	11,324,481
Exchange traded funds	<u>4,678,373</u>	<u>5,195,618</u>
	17,365,840	17,861,807
Unrealized gain	<u>6,287,300</u>	<u>4,379,825</u>
	<u>\$ 23,653,140</u>	<u>\$ 22,241,632</u>

Investment income (loss) consisted of the following:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 334,007	\$ 505,534
Realized gains	(296,635)	83,083
Unrealized gain(loss)	1,899,475	2,560,618
Brokerage fees	<u>(39,311)</u>	<u>(39,808)</u>
	<u>\$ 1,897,536</u>	<u>\$ 3,109,427</u>

5. PROMISES TO GIVE

Unconditional promises to give consisted of the following:

	<u>2020</u>	<u>2019</u>
Promises to give, due in one year	\$ 832,109	\$ 717,169
Promises to give, due after one year	<u>1,235,773</u>	<u>1,293,670</u>
Total promises to give	2,067,882	2,010,839
Unamortized discount	(62,208)	(56,287)
Allowance for uncollectible promises to give	<u>(82,716)</u>	<u>(87,641)</u>
	<u>\$ 1,922,958</u>	<u>\$ 1,866,911</u>

The Foundation's risk free rate of return is 1.43% for calculating the discount rate.

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

5. PROMISES TO GIVE – continued

Future amounts due on promises to give follow:

2021	\$ 832,109
2022	578,051
2023	405,777
2024	211,345
2025	31,600
Thereafter	<u>9,000</u>
	<u>\$ 2,067,882</u>

6. LEASE

The Foundation entered into an amended lease agreement to extend the term of the lease through December 31, 2021, with option periods through December 31, 2023. Rent expense for the year ending December 31, 2020 and 2019 is \$22,212 and \$22,690, respectively.

Future minimum lease payments at December 31, 2020 are:

2021	\$ 20,263
2022	20,771
2023	<u>21,291</u>
	<u>\$ 62,325</u>

7. NET ASSETS WITH RESTRICTIONS

At December 31, 2020 and 2019, the Foundation's net assets with restrictions were \$1,169,759 and \$1,293,670, respectively stated for promises to give in excess of one year. Amounts released from restriction in the year ended December 31, 2020 and 2019 were \$1,155,889 and \$831,011 for amounts received on promises.

8. GRANTS

The Foundation provides grants to organizations with programs promoting and providing pro bono financial planning and financial life skills education. Once approved by the Board of Directors, the grant is deemed a liability since the likelihood that it will not be paid is extremely remote. For the years ended December 31, 2020 and 2019, the Foundation provided grants of \$425,480 and \$364,250, respectively, to other organizations.

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

9. DEFINED CONTRIBUTION PLAN

The employees of the Foundation are leased from TriNet Passport (“TriNet”) in order to manage its employment obligations and risk. TriNet has a multiple employer-defined contribution retirement plan. The Foundation contributes 4% of each employee’s salary which is vested in accordance with the plan documents. At December 31, 2020 and 2019, the Foundation contributed \$25,830 and \$25,956 into the plan.

10. FAIR VALUE OF ASSETS

The following tables represent the Foundation’s assets measured at fair value on a recurring basis at December 31, 2020 and 2019:

2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 400,203	\$ -	\$ -	\$ 400,203
Investments	23,653,140	-	-	23,653,140
Promises to given, net	-	-	1,922,958	1,922,958
	<u>\$ 24,053,343</u>	<u>\$ -</u>	<u>\$ 1,922,958</u>	<u>\$ 25,976,301</u>
2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 364,418	\$ -	\$ -	\$ 364,418
Investments	22,241,632	-	-	22,241,632
Promises to given, net	-	-	1,866,911	1,866,911
	<u>\$ 22,606,050</u>	<u>\$ -</u>	<u>\$ 1,866,911</u>	<u>\$ 24,472,961</u>

The table below sets forth a summary of the changes in the fair value of the Foundation’s Level 3 financial assets for the year ended September 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Promises to give fair value January 1,	\$ 1,866,911	\$ 1,494,521
New pledges	958,985	1,214,871
Receipts	(901,942)	(840,335)
Change in discounts and allowance	(996)	(2,146)
	<u>\$ 1,922,958</u>	<u>\$ 1,866,911</u>

FOUNDATION FOR FINANCIAL PLANNING, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2020 and 2019

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the organization’s financial assets as of December 31, 2020 and 2019 reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of contractual restrictions. Amounts not available to meet general expenditures within one year may include net assets with donor restrictions that are intended to fund special initiatives.

	2020	2019
Cash	\$ 400,203	\$ 364,418
Investments	23,653,140	22,241,632
Pledges receivable	1,922,958	1,866,911
Total financial assets	25,976,301	24,472,961
Less: Net assets with restrictions	(1,169,759)	(1,293,670)
Less: Board designated for operating reserves	(1,000,000)	(1,000,000)
	\$ 23,806,542	\$ 22,179,291

12. CHANGE IN ACCOUNTING PRINCIPLE

The Foundation adopted Accounting Standard Codification (ASC) No. 606 *Revenue from Contracts with Customers* in 2020. The new standard recognizes revenues when a performance obligation has been met. Prior year revenues have been reduced for the amount of unused donated advertising at December 31, 2019. The result is a reduction of revenues and net assets with restrictions of \$131,375.

13. RECLASSIFICATION

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. There was no effect or change in net assets resulting from these reclassifications.

14. SUBSEQUENT EVENTS

During the year ended December 31, 2020, an outbreak of the Coronavirus (COVID-19) occurred and has extended past the date of these financial statements. The Foundation has followed CDC guidelines by canceling in-person events and moving to online meetings whenever possible. Depending on the duration of the COVID-19 crisis and the continued negative impact on economic activities, the ultimate impact on the financial performance of the Foundation cannot be reasonably estimated at this time.