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# McGregor Fund

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**Financial Report**  
**June 30, 2020**

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## **Independent Auditor's Report**

To the Board of Trustees  
McGregor Fund

We have audited the accompanying financial statements of McGregor Fund (the "Fund"), which comprise the balance sheet as of June 30, 2020 and 2019 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.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McGregor Fund as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 2, the financial statements include certain investments whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or partnership general partners. These investments are valued at \$74,027,883 (44.0 percent of net assets) at June 30, 2020 and \$74,584,506 (43.2 percent of net assets) at June 30, 2019. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

September 30, 2020

## Balance Sheet

June 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 1,572,397	\$ 1,667,017
Accrued interest and dividends	79,276	103,230
Investments (Note 4)	169,251,110	174,206,119
Other assets:		
Prepaid expenses	130,232	58,846
Prepaid federal excise taxes	33,305	-
Other	127,736	183,386
Total assets	<b>\$ 171,194,056</b>	<b>\$ 176,218,598</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accrued expenses	\$ 157,451	\$ 126,434
Grants payable (Note 5)	1,696,308	2,174,980
Deferred excise taxes (Note 6)	857,713	902,237
Federal excise taxes payable	-	101,611
Other liabilities	127,740	183,387
Total liabilities	2,839,212	3,488,649
<b>Net Assets</b> - Without donor restrictions	168,354,844	172,729,949
Total liabilities and net assets	<b>\$ 171,194,056</b>	<b>\$ 176,218,598</b>

**Statement of Activities and Changes in Net Assets****Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Changes in Net Assets without Donor Restrictions</b>		
Net investment return (Note 4)	\$ 4,699,152	\$ 7,703,845
Expenses:		
Program services:		
Grants	7,329,796	6,832,964
Other program expenses	<u>733,631</u>	<u>718,792</u>
Total program services	8,063,427	7,551,756
Support services:		
Management and general	835,891	737,586
Federal and state tax on unrelated business income from investments	126,758	85,471
Federal excise tax expense (Note 6)	<u>48,181</u>	<u>151,161</u>
Total support services	<u>1,010,830</u>	<u>974,218</u>
Total expenses	<u>9,074,257</u>	<u>8,525,974</u>
<b>Decrease in Net Assets without Donor Restrictions</b>	(4,375,105)	(822,129)
<b>Net Assets - Beginning of year</b>	<u>172,729,949</u>	<u>173,552,078</u>
<b>Net Assets - End of year</b>	<u><u>\$ 168,354,844</u></u>	<u><u>\$ 172,729,949</u></u>

## Statement of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (4,375,105)	\$ (822,129)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents from operating activities:		
Net realized and unrealized gains on securities	(5,794,847)	(7,307,710)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accrued interest and dividends	23,954	(3,062)
Prepaid expenses	(71,386)	78,370
Prepaid federal excise taxes	(33,305)	13,552
Accrued expenses	31,020	39,109
Deferred federal excise taxes	(44,524)	(70,593)
Federal excise taxes payable	(101,611)	101,611
Grants payable	(478,672)	(1,213,018)
Net cash and cash equivalents used in operating activities	(10,844,476)	(9,183,870)
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(56,232,307)	(28,905,754)
Proceeds from sales and maturities of investments	66,982,163	35,877,576
Net cash and cash equivalents provided by investing activities	10,749,856	6,971,822
<b>Net Decrease in Cash and Cash Equivalents</b>	(94,620)	(2,212,048)
<b>Cash and Cash Equivalents - Beginning of year</b>	1,667,017	3,879,065
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 1,572,397</b>	<b>\$ 1,667,017</b>

**June 30, 2020 and 2019****Note 1 - Nature of Business**

McGregor Fund (the "Fund"), located in Detroit, Michigan and established in 1925, is a private foundation that was organized to relieve misfortune and promote the well-being of humankind. The primary activity of the Fund is to provide support to Detroit metropolitan area not-for-profit organizations that operate in three program areas that are of particular interest to the Fund's board of trustees: basic needs, recovery and restoration, and skill building.

**Note 2 - Significant Accounting Policies*****Cash Equivalents***

The Fund considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

***Concentration of Credit Risk Arising from Deposit Accounts***

The Fund maintains cash balances at a bank whose accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Fund evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

***Investments***

Investments in government and corporate debt and equity securities are stated at current quoted market values. The alternative investments, primarily composed of real estate, private equities, hedge funds, oil and gas, and other limited partnerships, which are not readily marketable, are carried at estimated fair values, as provided by the various investment managers. The Fund reviews and evaluates the values provided by the investment managers and agrees with the valuation methods used and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. Purchases and sales of investments are recorded as of the trade date. Gain or loss on the sale of investments is computed using the first-in, first-out method.

***Classification of Net Assets***

Net assets of the Fund are classified based on the presence or absence of donor-imposed restrictions. All net assets of the Fund are without donor restrictions.

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs have been allocated between program and support services based on estimates, as determined by management. Salaries and benefits are allocated on the basis of the actual employee time and effort devoted to these activities. Other expenses are allocated on the basis of the program or support service that used the related asset or service. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Tax Status***

The Fund is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. As a private foundation, the Fund is subject to an excise tax on net investment income, including realized gains, as defined in the Tax Reform Act of 1969.

**June 30, 2020 and 2019****Note 2 - Significant Accounting Policies (Continued)*****Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Fair Value Disclosures***

The estimated fair value amounts have been determined by the Fund using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and matters of considerable judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Fund could realize in a current market exchange. The use of different assumptions, judgments, and/or estimation methodologies may have a material effect on the estimated fair value amounts. All investment securities are carried at fair value in the financial statements.

***Risks and Uncertainties***

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

***Upcoming Accounting Pronouncement***

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in determining whether a contribution is conditional. The accounting guidance may delay expense recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance will be effective for the Fund's year ending June 30, 2021 and will be applied on a modified prospective basis. The Fund has not yet determined the impact on the timing of recognition of individual grants made.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including September 30, 2020, which is the date the financial statements were available to be issued.

**Note 3 - COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. The Fund's investment portfolio has experienced significant fluctuations in fair value, consistent with the volatility in the overall financial markets due to the COVID-19 pandemic.

No impairments were recorded as of the balance sheet date; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Fund's changes in net assets, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.



# Notes to Financial Statements

June 30, 2020 and 2019

## Note 3 - COVID-19 (Continued)

As a result of the pandemic, the Fund made adjustments to the reporting schedules and in some instances relaxed restrictions for grantees with active grants to allow the organizations the flexibility of reallocating funds to meet essential business needs. While the impact of this change is not expected to materially impact the financial statements, it may be reasonably expected that timing adjustments may occur within the Fund's grant payable schedules. In addition, the Fund transitioned to remote operations on March 16, 2020.

## Note 4 - Investments

Investments consisted of the following at June 30:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Fixed-income and equity securities:				
Domestic fixed-income securities	\$ 11,273,215	\$ 12,353,110	\$ 13,897,239	\$ 14,360,191
International fixed-income securities	-	-	5,646,606	6,318,043
U.S. equity securities	13,862,510	36,221,044	11,473,604	31,394,925
Foreign equity securities	41,425,928	46,649,073	40,943,842	47,548,454
Total fixed-income and equity securities	66,561,653	95,223,227	71,961,291	99,621,613
Alternative investments:				
Hedge funds and multistrategy	26,084,126	31,615,571	24,626,709	31,438,501
Oil and gas limited partnerships	6,007,709	2,757,889	6,142,048	5,509,107
Private equity and venture capital limited partnerships	25,931,873	36,981,039	23,069,883	34,143,019
Real estate limited partnerships	1,780,122	2,673,384	3,294,317	3,493,879
Total alternative investments	59,803,830	74,027,883	57,132,957	74,584,506
Total	\$ 126,365,483	\$ 169,251,110	\$ 129,094,248	\$ 174,206,119

Net investment return is composed of the following for the years ended June 30:

	2020	2019
Interest	\$ 410,783	\$ 530,797
Dividends	923,749	1,362,153
Net realized and unrealized gains on securities	5,794,847	7,307,710
Other partnership losses	(1,712,461)	(822,565)
Investment advisory and custodial fees	(717,766)	(674,250)
Total	\$ 4,699,152	\$ 7,703,845

## Note 5 - Grants Payable

Unconditional grants are recognized as an expense at the time of formal approval by the full board of trustees. A present value discount for grants to be paid beyond one year has been calculated using a rate of approximately 0.16 and 2.08 percent at June 30, 2020 and 2019, respectively, based on when the grant was approved. At June 30, 2020 and 2019, the total discount on grants payable was \$5,042 and \$48,350, respectively.

## Notes to Financial Statements

June 30, 2020 and 2019

### Note 5 - Grants Payable (Continued)

The following summarizes the changes in grants payable for the years ended June 30, 2020 and 2019:

	2020	2019
Grants payable - Beginning of year	\$ 2,174,980	\$ 3,387,998
Grants approved	7,296,888	5,579,017
Payments made	(7,818,868)	(6,818,087)
Change in discount on grants payable	43,308	26,052
Grants payable - End of year	<u>\$ 1,696,308</u>	<u>\$ 2,174,980</u>
	2020	2019
Amounts due in:		
Less than one year	\$ 1,436,350	\$ 1,980,830
One to five years	265,000	242,500
Less discount	<u>(5,042)</u>	<u>(48,350)</u>
Total	<u>\$ 1,696,308</u>	<u>\$ 2,174,980</u>

Conditional grants are expensed when such conditions are substantially met. Conditional grants approved for future payment were \$4,650,000 and \$5,145,000 at June 30, 2020 and 2019, respectively. Included in these amounts is a \$6 million conditional 20-year grant to the Foundation for Detroit's Future (FDF), a supporting organization of the Community Foundation for Southeast Michigan, which was approved by the Fund on August 19, 2014. The grant and payment of the annual grant installments are conditioned upon the terms and conditions outlined in the Fund's agreement with FDF. The Fund made payments on this grant totaling \$0 and \$650,000 during the years ended June 30, 2020 and 2019, respectively.

### Note 6 - Excise Taxes

The Fund's excise tax expense as of June 30, 2020 and 2019 is composed of the following:

	2020	2019
Current	\$ 92,706	\$ 221,754
Deferred	<u>(44,525)</u>	<u>(70,593)</u>
Total excise tax expense	<u>\$ 48,181</u>	<u>\$ 151,161</u>

The deferred excise tax liability on the balance sheet represents the tax on unrealized gains on investment securities.

### Note 7 - Deferred Compensation Plan

The Fund sponsors a defined contribution 401(k) plan for all eligible full-time employees, as defined in the plan document. The plan became effective as of January 1, 2008. The Fund contributes a specified percentage of the annual eligible compensation of participants. Total contributions to the plan for the years ended June 30, 2020 and 2019 amounted to approximately \$105,500 and \$95,800, respectively.

### Note 8 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

# Notes to Financial Statements

June 30, 2020 and 2019

## Note 8 - Fair Value Measurements (Continued)

The following tables present information about the Fund's assets measured at fair value on a recurring basis at June 30, 2020 and 2019 and the valuation techniques used by the Fund to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Fund has the ability to access.

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

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

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

The Fund's policy is to recognize transfers in and transfers out of Level 1, Level 2, and Level 3 fair value classifications as of the end of the reporting period. There were no transfers between levels of the fair value hierarchy during the years ended June 30, 2020 and 2019.

Assets Measured at Fair Value on a Recurring Basis at June 30, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
<b>Assets</b>				
Investments:				
U.S. government securities	\$ -	\$ 3,958,950	\$ -	\$ 3,958,950
Domestic municipal bonds	-	2,758,044	-	2,758,044
Domestic corporate bonds	-	5,636,116	-	5,636,116
U.S. equity mutual funds	1,509,704	-	-	1,509,704
Foreign equity mutual funds	21,140,524	-	-	21,140,524
Cash equivalents - Money market mutual funds	1,142,357	-	-	1,142,357
Total	<u>\$ 23,792,585</u>	<u>\$ 12,353,110</u>	<u>\$ -</u>	36,145,695
Investments measured at NAV:				
U.S. equity commingled funds				34,711,340
Foreign equity commingled funds				25,508,549
Hedge fund and multistrategy				31,615,571
Oil and gas partnership				2,757,889
Private equity and venture capital limited partnerships				36,981,039
Real estate limited partnerships				2,673,384
Total investments measured at NAV				<u>134,247,772</u>
Total assets				<u>\$ 170,393,467</u>

# Notes to Financial Statements

June 30, 2020 and 2019

## Note 8 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
<b>Assets</b>				
Investments:				
U.S. equity mutual funds	\$ 5,192,212	\$ -	\$ -	\$ 5,192,212
U.S. government securities	-	5,386,273	-	5,386,273
Domestic municipal bonds	-	2,843,819	-	2,843,819
Domestic corporate bonds	-	6,130,099	-	6,130,099
Foreign equity mutual funds	17,937,968	-	-	17,937,968
Cash equivalents - Money market mutual funds	1,863,070	-	-	1,863,070
Total	<u>\$ 24,993,250</u>	<u>\$ 14,360,191</u>	<u>\$ -</u>	<u>39,353,441</u>
Investments measured at NAV:				
International fixed-income securities limited partnership				6,318,043
U.S. equity commingled funds				26,202,713
Foreign equity commingled funds				29,610,486
Hedge fund and multistrategy				31,438,501
Oil and gas partnership				5,509,107
Private equity and venture capital limited partnerships				34,143,019
Real estate limited partnerships				<u>3,493,879</u>
Total investments measured at NAV				<u>136,715,748</u>
Total assets				<u>\$ 176,069,189</u>

The tables above include money market mutual funds of \$1,142,357 and \$1,863,070 at June 30, 2020 and 2019, respectively, which are included within cash equivalents on the balance sheet.

The fair value of U.S. government securities, domestic municipal bonds, and domestic corporate bonds is determined using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures.

### **Investments in Entities that Calculate Net Asset Value per Share**

The Fund holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

# Notes to Financial Statements

June 30, 2020 and 2019

## Note 8 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2020	June 30, 2019		June 30, 2020	
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
International fixed-income securities limited partnership (a)	\$ -	\$ 6,318,043	\$ -	Monthly	10 days
U.S. equity commingled funds (b)	34,711,340	26,202,713	-	Daily and quarterly	1-60 days
Foreign equity commingled funds (c)	25,508,549	29,610,486	-	Monthly	10 - 60 days
Hedge fund and multistrategy (d)	31,615,571	31,438,501	-	Monthly, quarterly, and annually	30-90 days
Oil and gas limited partnerships (e)	2,757,889	5,509,107	2,057,906	N/A	N/A
Private equity and venture capital limited partnerships (f)	36,981,039	34,143,019	18,865,589	N/A	N/A
Real estate limited partnerships (g)	2,673,384	3,493,879	1,445,190	N/A	N/A
Total	<u>\$ 134,247,772</u>	<u>\$ 136,715,748</u>	<u>\$ 22,368,685</u>		

(a) The international fixed-income securities category includes an investment in a commingled bond fund that invests in foreign sovereign bonds. The fair value of the investment in this category has been estimated using net asset value of the Fund's ownership interest in partners' capital.

(b) The U.S. equity securities category includes investments in commingled U.S. stock funds. The fair value of the investments in this category has been estimated using the net asset value of the Fund's ownership interest in partners' capital or net asset value per share of the investments, whichever is applicable.

(c) The foreign equity securities category includes investments in commingled international stock funds. The fair value of the investments in this category has been estimated using net asset value of the Fund's ownership interest in partners' capital or net asset value per share of the investments, whichever is applicable.

(d) The hedge funds and multistrategy category includes direct investments in hedge funds that invest in event arbitrage, multistrategy, distressed securities, U.S. long/short equities, and global long/short equities. The fair value of the investments in this category has been estimated using net asset value per share of the investments.

(e) The oil and gas limited partnerships category includes investments with energy managers that invest across the energy industry. The fair value of the investments in this category has been estimated using net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next 3 to 12 years.

(f) The private equity and venture capital limited partnerships category includes investments with fund of funds, managers that invest in Asian, European, U.S. and U.S. distressed private equity funds, and early stage U.S. venture capital funds. The fair value of the investments in this category has been estimated using net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next 5 to 12 years.

(g) The real estate limited partnerships category includes investments with real estate managers that invest in European and U.S. commercial and residential real estate. The fair value of the investments in this category has been estimated using net asset value of the Fund's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying investments of these funds will be liquidated over the next one to six years.

# Notes to Financial Statements

**June 30, 2020 and 2019**

## Note 9 - Functional Expenses

Expenses are functionally allocated as follows for the year ended June 30, 2020:

	Program Services	Support Services	Total
Grants	\$ 7,329,796	\$ -	\$ 7,329,796
Salaries and benefits	611,227	475,700	1,086,927
Legal, accounting, and professional fees	63,750	135,359	199,109
Occupancy	21,080	91,336	112,416
Taxes	-	175,329	175,329
Other expenses	37,574	133,106	170,680
Total	<u>\$ 8,063,427</u>	<u>\$ 1,010,830</u>	<u>\$ 9,074,257</u>

Expenses are functionally allocated as follows for the year ended June 30, 2019:

	Program Services	Support Services	Total
Grants	\$ 6,832,964	\$ -	\$ 6,832,964
Salaries and benefits	657,399	413,412	1,070,811
Legal, accounting, and professional fees	2,700	90,343	93,043
Occupancy	23,609	96,539	120,148
Taxes	-	236,922	236,922
Other expenses	35,084	137,002	172,086
Total	<u>\$ 7,551,756</u>	<u>\$ 974,218</u>	<u>\$ 8,525,974</u>

## Note 10 - Liquidity and Availability of Resources

The following reflects the Fund's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date:

	2020	2019
Cash and cash equivalents	\$ 1,572,397	\$ 1,667,017
Investments	169,251,110	174,206,119
Accrued interest and dividends	79,276	103,230
Financial assets - At year end	170,902,783	175,976,366
Less those unavailable for general expenditures within one year due to investment redemption restrictions	42,412,312	43,146,005
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 128,490,471</u>	<u>\$ 132,830,361</u>

The Fund has a goal to maintain financial assets, which consist of cash and short-term investments, and receivables on hand to meet normal operating expenses. None of the financial assets are subject to donor or other restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The Fund has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Fund also realizes there could be unanticipated liquidity needs.