

Paso del Norte Community Foundation

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2018 and 2017

Paso del Norte Community Foundation

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Independent Auditors' Report

To the Board of Directors of
Paso del Norte Community Foundation:

We have audited the accompanying financial statements of Paso del Norte Community Foundation (the PdNCF), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, of functional expenses, and of 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.

Auditors' 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 our 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 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 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 the PdNCF as of December 31, 2018 and 2017 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.

Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, the PdNCF adopted the amendments of Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. These amendments have been applied on a retrospective basis to the financial statements as of and for the year ended December 31, 2017, except that certain information has been omitted as permitted by the ASU. Our opinion is not modified with respect to this matter.

Blazek & Vetterling

September 10, 2019

Paso del Norte Community Foundation

Statements of Financial Position as of December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 1,132,135	\$ 1,516,604
Receivable from Paso del Norte Health Foundation (Note 4)	–	1,504,569
Contributions receivable (Note 5)	66,844	307,523
Investment pool held by Paso del Norte Health Foundation (Note 6)	3,663,154	3,724,664
Prepaid expenses and other assets	51,423	32,451
Playa Drain Trail project in process (Note 7)	<u>2,373,148</u>	<u>–</u>
TOTAL ASSETS	<u>\$ 7,286,704</u>	<u>\$ 7,085,811</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 97,753	\$ 28,567
Construction payable for Playa Drain Trail	214,122	–
Grants payable	286,705	–
Annuity payable (Note 8)	<u>52,008</u>	<u>68,086</u>
Total liabilities	<u>650,588</u>	<u>96,653</u>
Net assets:		
Without donor restrictions (Note 9)	4,190,849	4,536,806
With donor restrictions (Note 10)	<u>2,445,267</u>	<u>2,452,352</u>
Total net assets	<u>6,636,116</u>	<u>6,989,158</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,286,704</u>	<u>\$ 7,085,811</u>

See accompanying notes to financial statements.

Paso del Norte Community Foundation

Statement of Activities for the year ended December 31, 2018

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions (<i>Note 11</i>)	\$ 1,456,938	\$ 313,662	\$ 1,770,600
Support from Paso del Norte Health Foundation (<i>Note 4</i>)	266,085	–	266,085
Change in fair value of investment pool held by Paso del Norte Health Foundation	(146,063)	–	(146,063)
Other income	<u>23,942</u>	<u>–</u>	<u>23,942</u>
Total revenue	1,600,902	313,662	1,914,564
Net assets released from restrictions:			
Program expenditures	<u>320,747</u>	<u>(320,747)</u>	<u>–</u>
Total	<u>1,921,649</u>	<u>(7,085)</u>	<u>1,914,564</u>
EXPENSES:			
Program expenses:			
Grants awarded	1,667,373	–	1,667,373
Program management	<u>364,524</u>	<u>–</u>	<u>364,524</u>
Total program expenses	2,031,897	–	2,031,897
Management and general	186,494	–	186,494
Fundraising	<u>49,215</u>	<u>–</u>	<u>49,215</u>
Total expenses	<u>2,267,606</u>	<u>–</u>	<u>2,267,606</u>
CHANGES IN NET ASSETS	(345,957)	(7,085)	(353,042)
Net assets, beginning of year	<u>4,536,806</u>	<u>2,452,352</u>	<u>6,989,158</u>
Net assets, end of year	<u>\$ 4,190,849</u>	<u>\$ 2,445,267</u>	<u>\$ 6,636,116</u>

See accompanying notes to financial statements.

Paso del Norte Community Foundation

Statement of Activities for the year ended December 31, 2017

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions (Note 11)	\$ 2,920,191	\$ 258,476	\$ 3,178,667
Support from Paso del Norte Health Foundation (Note 4)	411,499	2,264,138	2,675,637
Change in fair value of investment pool held by Paso del Norte Health Foundation	253,575	–	253,575
Other income	<u>3,744</u>	<u>–</u>	<u>3,744</u>
Total revenue	3,589,009	2,522,614	6,111,623
Net assets released from restrictions:			
Program expenditures	<u>197,331</u>	<u>(197,331)</u>	<u>–</u>
Total	<u>3,786,340</u>	<u>2,325,283</u>	<u>6,111,623</u>
EXPENSES:			
Program expenses:			
Grants awarded	969,796	–	969,796
Program management	<u>165,311</u>	<u>–</u>	<u>165,311</u>
Total program expenses	1,135,107	–	1,135,107
Management and general	168,853	–	168,853
Fundraising	<u>41,910</u>	<u>–</u>	<u>41,910</u>
Total expenses	<u>1,345,870</u>	<u>–</u>	<u>1,345,870</u>
CHANGES IN NET ASSETS	2,440,470	2,325,283	4,765,753
Net assets, beginning of year (Note 2)	<u>2,096,336</u>	<u>127,069</u>	<u>2,223,405</u>
Net assets, end of year	<u>\$ 4,536,806</u>	<u>\$ 2,452,352</u>	<u>\$ 6,989,158</u>

See accompanying notes to financial statements.

Paso del Norte Community Foundation

Statements of Functional Expenses for the years ended December 31, 2018 and 2017

	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2018 TOTAL</u>
Grants awarded	\$ 1,667,373	\$ –	\$ –	\$ 1,667,373
Salaries and related benefits	233,520	123,553	25,025	382,098
Professional fees	90,962	45,003	23,174	159,139
Community relations	13,337	2,058	1,016	16,411
Telephone and technology	9,378	5,995	–	15,373
Occupancy	8,056	5,150	–	13,206
Other	9,271	4,735	–	14,006
Total expenses	<u>\$ 2,031,897</u>	<u>\$ 186,494</u>	<u>\$ 49,215</u>	<u>\$ 2,267,606</u>

	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2017 TOTAL</u>
Grants awarded	\$ 969,796	\$ –	\$ –	\$ 969,796
Salaries and related benefits	133,563	119,317	39,585	292,465
Professional fees	10,652	33,818	–	44,470
Telephone and technology	7,931	3,066	–	10,997
Occupancy	4,569	3,729	1,026	9,324
Other	8,596	8,923	1,299	18,818
Total expenses	<u>\$ 1,135,107</u>	<u>\$ 168,853</u>	<u>\$ 41,910</u>	<u>\$ 1,345,870</u>

See accompanying notes to financial statements.

Paso del Norte Community Foundation

Statements of Cash Flows for the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (353,042)	\$ 4,765,753
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Change in fair value of investment pool held by Paso del Norte Health Foundation	146,063	(253,575)
Changes in operating assets and liabilities:		
Receivable from Paso del Norte Health Foundation	1,504,569	(1,504,569)
Contributions receivable	240,679	(94,356)
Prepaid expenses and other assets	(18,972)	7,527
Playa Drain Trail project in process	(2,159,026)	-
Accounts payable and accrued expenses	69,186	(112)
Grants payable	286,705	-
Annuity payable	<u>(16,078)</u>	<u>68,086</u>
Net cash provided (used) by operating activities	<u>(299,916)</u>	<u>2,988,754</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of interest in investment pool held by Paso del Norte Health Foundation	(323,988)	(2,392,225)
Redemptions of interest in investment pool held by Paso del Norte Health Foundation	<u>239,435</u>	<u>118,649</u>
Net cash used by investing activities	<u>(84,553)</u>	<u>(2,273,576)</u>
NET CHANGE IN CASH	(384,469)	715,178
Cash, beginning of year	<u>1,516,604</u>	<u>801,426</u>
Cash, end of year	<u>\$ 1,132,135</u>	<u>\$ 1,516,604</u>

See accompanying notes to financial statements.

Paso del Norte Community Foundation

Notes to Financial Statements for the years ended December 31, 2018 and 2017

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Paso del Norte Community Foundation (the PdNCF), formerly known as the Paso del Norte Foundation, was formed in 2013 as a Texas nonprofit public charity located in El Paso, Texas to support the philanthropic goals of individuals, corporations, foundations, and nonprofit organizations to improve health, education, social services, economic development, and quality of life in the Paso del Norte region. The PdNCF manages supporting organizations, donor-advised funds, designated funds, and scholarship funds, including long-term endowment funds, to support the interests of donors and the needs of nonprofit organizations and charitable causes in the region.

Affiliated organizations – The Paso del Norte Health Foundation (the PdNHF), a Texas nonprofit private foundation located in El Paso, Texas, was organized in 1995 following the sale of certain assets of Providence Memorial Hospital (the Hospital). The mission of the PdNHF is to lead, leverage, and invest in initiatives, programs, and policies that promote health and prevent disease in the Paso del Norte region. The PdNHF provides grants to programs and is engaged in activities that provide charitable assistance, training, and educational support for the promotion of physical and mental health, principally for the benefit of the general population of El Paso, Texas, and the surrounding region. On June 1, 2018, the PdNHF revised its organizational documents to become a supporting organization of the PdNCF. The PdNHF received approval from the Internal Revenue Service of its request to change its tax status to a supporting organization as described in §509(a)(3) of the Internal Revenue Code (the Code), effective January 1, 2019.

The Fundacion Paso del Norte para la Salud y Bienestar, A. C. (Fundacion), a not-for-profit civil association in the City of Juarez, Chihuahua, Mexico, was formed in 2015 to inspire and grow philanthropic giving and advance partnerships and initiatives to improve health and well-being in Ciudad Juarez. The Fundacion was created by the PdNHF, is supported by the PdNCF and the PdNHF, and has a self-perpetuating board of directors.

Federal income tax status – The PdNCF is exempt from federal income tax under §501(c)(3) of the Code and is classified as a public charity under §170(b)(1)(A)(vi).

Cash concentration – Deposits are maintained in three financial institutions and may, at times, exceed the federally insured limit per depositor per institution. The PdNCF reviews the financial stability of financial institutions in which it maintains deposits.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Contributions receivable that are expected to be collected in future years are discounted, if material, to the present value of their estimated future cash flows.

Investment pool held by Paso del Norte Health Foundation is reported at the fair value of the PdNCF's share of underlying pooled investments.

Property – All property acquired with a value of \$1,000 or greater and with a life expectancy of a year or more is reported at cost. Maintenance and repairs are charged to expense as incurred. Property is depreciated using the straight-line method over the estimated useful lives of 10 years for leasehold improvements and 3 to 15 years for furniture, fixtures, equipment and software.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* include those net assets that are free of donor-imposed restrictions and are subject to the PdNCF’s variance power and includes all investment income and appreciation not subject to donor-imposed restrictions. Variance power provides the PdNCF’s Board of Directors with the ability to modify donor stipulations that are no longer possible or practical or are undesirable in the performance of its public functions. *Net assets without donor restrictions* are designated by charitable purpose as follows:
 - *Donor advised* – Fund holder annually recommends grants to specific qualified charities.
 - *Designated* – Fund holder designates specific eligible organizations to receive charitable grants and charitable related expenses in the fund agreement.
 - *Scholarship* – Fund holder recommends an academic focus for the scholarship fund and eligibility criteria (including financial need, academic merit, geographic residence, and/or community service). The PdNCF provides oversight and administrative support of the scholarship process and manages due diligence.
 - *Undesignated* – Donor provides the PdNCF with ongoing operational support to meet changing needs across the region, giving the PdNCF the flexibility to respond quickly to emerging community needs and shifting priorities.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met.

Grants awarded are recognized as expense when the PdNCF approves an unconditional commitment to a grant recipient. Conditional grants are recognized in the same manner when the conditions are met by the recipient. Grants payable in more than one year are reported at the present value of their future cash outflows using a risk-free rate-of-return, if material. Commitments made but not yet funded are reported as grants payable. At December 31, 2018, all grants are expected to be paid in one year.

Functional allocation of expenses – Expenses are reported by their functional classification as program services or supporting activities. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one program or supporting activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. All other expenses that are not directly attributable to grants and the related programming or management and general are allocated on the basis of time and effort.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of

reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncement – In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction and provide additional guidance on determining whether a contribution is conditional or unconditional. This ASU could impact the timing of revenue recognition and the financial statement disclosures related to such transactions. The PdNCF is required to apply the amendments in its December 31, 2019 financial statements. The amendments should be applied on a modified prospective basis, but retrospective application also is permitted. Management has reviewed the impact on the financial statements of the adoption of this ASU and has determined that it will not have a material impact on reported contributions and grants awarded.

NOTE 2 – ADOPTION OF ACCOUNTING STANDARDS UPDATE 2016-14

The PdNCF adopted the amendments of ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended December 31, 2018. These amendments have been applied on a retrospective basis to the financial statements for the year ended December 31, 2017 except that information regarding liquidity and availability of resources has been omitted as permitted by the ASU. Adoption of this ASU resulted in reclassification of previously reported activities and net assets to conform to the 2018 presentation but had no impact on total net assets or total changes in net assets for 2017.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 comprise the following:

Financial assets at December 31, 2018:

Cash	\$ 1,132,135
Contributions receivable	66,844
Investment pool held by Paso del Norte Health Foundation	<u>3,663,154</u>

Total financial assets available for general expenditure \$ 4,862,133

For purposes of analyzing resources available to meet general expenditures over a 12-month period, PdNCF considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of PdNCF's liquidity management, it structures its financial assets to be available as general expenditures and liabilities become due. Donor advised, designated and scholarship funds with a balance of \$492,269 are included in cash and \$3,595,918 are invested for long-term appreciation and are included in investments. These funds are subject to the PdNCF's variance power and remain available to be spent at the direction of the Board of Directors.

NOTE 4 – SUPPORT FROM PASO DEL NORTE HEALTH FOUNDATION

The PdNHF routinely provides operating support for the PdNCF. During 2018 and 2017, the PdNCF recognized approximately \$186,000 and \$392,000, respectively, of support from the PdNHF. Additionally, during 2017, the PdNHF provided a grant of \$2.25 million for the Playa Drain Trail project (see Note 7).

The PdNCF and the PdNHF share certain expenses for the joint use of facilities. The PdNHF provides executive management, accounting, human resource services, and office space to the PdNCF. During 2018 and 2017, the PdNCF reimbursed the PdNHF approximately \$20,000 and \$17,000, respectively, and has recognized in-kind revenue and expenses of approximately \$81,000 in 2018 and \$16,000 in 2017 for these services. Additionally, the PdNHF provides health and dental insurance for the PdNCF's employees. The PdNCF reimbursed the PdNHF approximately \$33,000 in 2018 and \$32,000 in 2017.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be collected as follows:

	<u>2018</u>	<u>2017</u>
Within one year	\$ 53,675	\$ 269,473
In one to five years	<u>13,169</u>	<u>38,050</u>
Total contributions receivable	<u>\$ 66,844</u>	<u>\$ 307,523</u>

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The PdNCF's investments are held by the PdNHF. The PdNCF owns an undivided, proportionate share of the total pooled investments in the PdNHF. The PdNCF's share of the pool is available at their request. Investment returns are allocated based upon their relative share of the underlying assets. The investments are managed by investment management advisors.

The PdNCF's share of the investment pool held by the PdNHF was invested approximately as follows:

	<u>2018</u>	<u>2017</u>
Common trust funds	68%	71%
Partnerships	27%	24%
Global equity hedge fund	<u>5%</u>	<u>5%</u>
Total	<u>100%</u>	<u>100%</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, 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 statement of financial position and statement of activities.

Fair Value Measurements

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2018 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investment pool held by the PdNHF	\$ —	\$ 3,663,154	\$ —	\$ 3,663,154
Total assets measured at fair value	<u>\$ —</u>	<u>\$ 3,663,154</u>	<u>\$ —</u>	<u>\$ 3,663,154</u>

Assets measured at fair value at December 31, 2017 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investment pool held by the PdNHF	\$ —	\$ 3,724,664	\$ —	\$ 3,724,664
Total assets measured at fair value	<u>\$ —</u>	<u>\$ 3,724,664</u>	<u>\$ —</u>	<u>\$ 3,724,664</u>

Investment pool held by the PdNHF is valued at the PdNHF’s share of the net value of the pool. Common trust funds are valued at net asset value as determined by the issuer or investment manager based upon the fair value of the underlying securities. Partnerships are valued using the net asset value per share (or its equivalent) as a practical expedient to determine fair value of investments in partnerships that do not have a readily determinable fair value. This valuation method may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the PdNCF believes its valuation method is appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 7 – PLAYA DRAIN TRAIL

During 2017, the PdNCF entered into agreements for the design and construction of a 3.4-mile segment of the Playa Drain Trail project in partnership with the PdNHF, the City of El Paso and El Paso Water. Upon completion and acceptance, the project will be transferred to the City of El Paso. The total estimated cost of the project is \$2.5 million. The PdNHF has contributed \$2.25 million to the PdNCF for this project. The project was accepted by and transferred to the City of El Paso during May 2019.

NOTE 8 – CHARITABLE GIFT ANNUITY

The PdNCF has entered into a charitable gift annuity agreement whereby it has accepted assets and will provide distributions to the annuity beneficiary at a rate of 2.6% of the asset annually until the death of the beneficiary. Assets invested to meet the obligation under this charitable gift annuity totaled approximately \$191,000 at December 31, 2018 and are reported in the statement of financial position with the investment pool held by the PdNHF.

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following:

	<u>2018</u>	<u>2017</u>
Donor advised	\$ 2,066,276	\$ 2,157,240
Designated	1,669,005	1,716,270
Scholarship	352,906	225,260
Undesignated	<u>102,662</u>	<u>438,036</u>
Total net assets without donor restrictions	<u>\$ 4,190,849</u>	<u>\$ 4,536,806</u>

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2018</u>	<u>2017</u>
Playa Drain Trail project Fundacion	\$ 2,300,050	\$ 2,250,000
	<u>145,217</u>	<u>202,352</u>
Total net assets without donor restrictions	<u>\$ 2,445,267</u>	<u>\$ 2,452,352</u>

NOTE 11 – CONTRIBUTIONS

During 2016, the PdNCF received a conditional 5-year matching gift of up to \$1,000,000 to support Fundacion. Payments from this gift will be received periodically as funds are raised and received by Fundacion. As of December 31, 2018, \$547,000 of this matching gift has been recognized. The PdNCF will recognize the remaining contribution when the conditions are substantially met.

The PdNCF received contributions from more than 3,700 and 2,500 donors in 2018 and 2017, respectively. In 2017, three donors accounted for 79% of total contributions, including a major gift to a new donor-advised fund.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 10, 2019, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events except as described in Note 7, were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.