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**The Federated Charities  
Corporation of Frederick**

**Financial Statements and  
Independent Accountants' Review Report**

**For the Years Ended  
December 31, 2021 and 2020**

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**LSWG**

**CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS ADVISORS**



## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
The Federated Charities Corporation of Frederick

We have reviewed the accompanying financial statements of The Federated Charities Corporation of Frederick (a nonprofit organization), 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, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Federated Charities Corporation of Frederick and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*LSWG, P.A.*

Frederick, Maryland

May 2, 2022

**The Federated Charities Corporation of Frederick**  
**Statements of Financial Position**  
**December 31,**

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 67,632	\$ 68,029
Restricted cash		
Security deposits	11,887	6,058
Fiscal sponsorship	-	16,298
Contributions receivable	353	426
Deposits	-	17,761
Prepaid expenses	3,181	2,289
Total Current Assets	<u>83,053</u>	<u>110,861</u>
 <b>Property and Equipment, net</b>	 <u>1,357,787</u>	 <u>1,417,752</u>
 <b>Total Assets</b>	 <u>\$ 1,440,840</u>	 <u>\$ 1,528,613</u>
<u>Liabilities and Net Assets</u>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,602	\$ 10,849
Accrued expenses	1,832	4,444
Current portion of notes payable	7,410	18,101
Prepaid rents	-	944
Total Current Liabilities	<u>11,844</u>	<u>34,338</u>
 <b>Long Term Liabilities</b>		
Notes payable, net of current portion	196,433	192,103
Security deposits	11,887	6,058
Total Long Term Liabilities	<u>208,320</u>	<u>198,161</u>
 <b>Total Liabilities</b>	 220,164	 232,499
 <b>Net Assets</b>		
Net assets without donor restrictions	1,213,176	1,277,174
Net assets with donor restrictions	7,500	18,940
Total Net Assets	<u>1,220,676</u>	<u>1,296,114</u>
 <b>Total Liabilities and Net Assets</b>	 <u>\$ 1,440,840</u>	 <u>\$ 1,528,613</u>

See accompanying notes and independent accountants' review report.

**The Federated Charities Corporation of Frederick**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenue</b>			
Contributions	\$ 102,729	\$ 2,013	\$ 104,742
Fundraising income	4,977	-	4,977
Grants	-	12,500	12,500
Rental income	201,536	-	201,536
Fiscal sponsorship			
Contributions	-	1,508	1,508
Interest income	16	-	16
Miscellaneous income	1,463	-	1,463
	<u>310,721</u>	<u>16,021</u>	<u>326,742</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	27,461	(27,461)	-
	<u>27,461</u>	<u>(27,461)</u>	<u>-</u>
Total Support and Revenue	338,182	(11,440)	326,742
<b>Expenses</b>			
Program	346,050	-	346,050
Management and general	35,373	-	35,373
Fundraising	20,757	-	20,757
Total Expenses	<u>402,180</u>	<u>-</u>	<u>402,180</u>
<b>Change in Net Assets</b>	(63,998)	(11,440)	(75,438)
<b>Net Assets</b>			
Beginning of year	1,277,174	18,940	1,296,114
<b>End of year</b>	<u>\$ 1,213,176</u>	<u>\$ 7,500</u>	<u>\$ 1,220,676</u>

See accompanying notes and independent accountants' review report.

**The Federated Charities Corporation of Frederick**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2020**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenue</b>			
Contributions	\$ 29,271	\$ -	\$ 29,271
Fundraising income	6,458	-	6,458
Grants	1,000	53,303	54,303
Rental income	220,344	-	220,344
Fiscal sponsorship			
In-kind inventory	-	29,446	29,446
Contributions	-	21,407	21,407
Interest income	144	-	144
Miscellaneous income	2,209	-	2,209
	<u>259,426</u>	<u>104,156</u>	<u>363,582</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	102,960	(102,960)	-
	<u>102,960</u>	<u>(102,960)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<b>362,386</b>	<b>1,196</b>	<b>363,582</b>
<b>Expenses</b>			
Program	371,759	-	371,759
Management and general	38,391	-	38,391
Fundraising	22,776	-	22,776
<b>Total Expenses</b>	<u>432,926</u>	<u>-</u>	<u>432,926</u>
<b>Change in Net Assets from Operations</b>	<b>(70,540)</b>	<b>1,196</b>	<b>(69,344)</b>
Write-down of inventory	(25,317)	-	(25,317)
	<u>(25,317)</u>	<u>-</u>	<u>(25,317)</u>
<b>Change in Net Assets</b>	<b>(95,857)</b>	<b>1,196</b>	<b>(94,661)</b>
<b>Net Assets</b>			
Beginning of year	1,373,031	17,744	1,390,775
<b>End of year</b>	<u>\$ 1,277,174</u>	<u>\$ 18,940</u>	<u>\$ 1,296,114</u>

See accompanying notes and independent accountants' review report.

**The Federated Charities Corporation of Frederick**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	Program	Management and General	Fundraising	Total
Salaries and bonuses	\$ 58,112	\$ 7,257	\$ 8,258	\$ 73,627
Employee benefits	1,248	666	242	2,156
Payroll taxes	8,372	1,931	1,704	12,007
Total personnel related expenses	<u>67,732</u>	<u>9,854</u>	<u>10,204</u>	<u>87,790</u>
Contractual services	15,970	12,200	1,000	29,170
Utilities	23,403	-	-	23,403
Insurance	9,851	3,482	-	13,333
Repairs and maintenance	100,009	-	-	100,009
Supplies	7,656	2,055	108	9,819
Interest expense	8,152	-	-	8,152
Marketing and printed materials	281	1,499	1,825	3,605
Professional development	368	213	-	581
Membership and subscriptions	1,322	1,956	2,728	6,006
Telephone and internet	14,405	1,219	-	15,624
Program expense - fiscal sponsorship	18,117	-	-	18,117
Program expense - other	3,673	24	-	3,697
Fundraising expense	338	-	3,453	3,791
Office and board expenses	8,855	624	-	9,479
Travel and transportation	1,179	1,265	-	2,444
Bank and service charges	4,431	34	506	4,971
Postage and shipping	22	79	872	973
Meals and entertainment	239	48	20	307
Licenses and permits	82	75	41	198
Payroll processing	-	746	-	746
Depreciation	59,965	-	-	59,965
Total expenses	<u>\$ 346,050</u>	<u>\$ 35,373</u>	<u>\$ 20,757</u>	<u>\$ 402,180</u>

See accompanying notes and independent accountants' review report.

**The Federated Charities Corporation of Frederick**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

	Program	Management and General	Fundraising	Total
Salaries and bonuses	\$ 50,727	\$ 13,240	\$ 7,773	\$ 71,740
Employee benefits	1,086	348	240	1,674
Payroll taxes	3,625	1,475	610	5,710
Total personnel related expenses	<u>55,438</u>	<u>15,063</u>	<u>8,623</u>	<u>79,124</u>
Contractual services	25,517	12,600	-	38,117
Utilities	20,935	-	-	20,935
Insurance	11,296	2,204	-	13,500
Non-capital building improvements	103,972	-	-	103,972
Repairs and maintenance	29,701	-	-	29,701
Supplies	10,536	880	29	11,445
Interest expense	7,845	-	-	7,845
Marketing and printed materials	2,002	564	6,356	8,922
Professional development	278	138	-	416
Membership and subscriptions	746	2,970	2,988	6,704
Telephone and internet	11,652	1,292	-	12,944
Program expense - fiscal sponsorship	8,808	-	-	8,808
Program expense - other	10,947	400	-	11,347
Fundraising expense	-	-	3,443	3,443
Office and board expense	8,689	713	-	9,402
Travel and transportation	1,252	-	-	1,252
Bank and service charges	1,638	59	376	2,073
Postage and shipping	9	135	771	915
Meals and entertainment	146	86	-	232
Licenses and permits	282	-	190	472
Payroll processing	105	1,287	-	1,392
Depreciation	59,965	-	-	59,965
Total expenses	<u>\$ 371,759</u>	<u>\$ 38,391</u>	<u>\$ 22,776</u>	<u>\$ 432,926</u>

See accompanying notes and independent accountants' review report.



**The Federated Charities Corporation of Frederick**  
**Statements of Cash Flows**  
**For the Years Ended December 31,**

	<b>2021</b>	<b>2020</b>
<b>Change in Cash and Cash Equivalents and Restricted Cash</b>		
Cash Flows from Operating Activities		
Change in Net Assets	\$ (75,438)	\$ (94,661)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	59,965	59,965
Change in assets and liabilities:		
Contributions receivable	73	608
Deposits	17,761	(17,761)
Prepaid expenses	(892)	(18)
Accounts payable	(8,247)	4,729
Accrued expenses	(2,612)	(1,897)
Prepaid rents	(944)	(7,405)
Security deposits	5,829	(755)
<b>Net Cash (Used in) Operating Activities</b>	<b>(4,505)</b>	<b>(57,195)</b>
Cash Flows from Financing Activities		
Proceeds from notes payable	7,724	75,000
Principal payments on notes payable	(14,085)	(18,124)
<b>Net Cash (Used in) Provided by Financing Activities</b>	<b>(6,361)</b>	<b>56,876</b>
Change in Cash, Cash Equivalents and Restricted Cash	(10,866)	(319)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	90,385	90,704
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 79,519</b>	<b>\$ 90,385</b>

**Reconciliation of Cash, Cash Equivalents and Restricted Cash:**

Amounts reported within the Statements of Financial Position that sum to the total above:

Cash and cash equivalents	\$ 67,632	\$ 68,029
Restricted cash, security deposits	11,887	6,058
Restricted cash, fiscal sponsorship	-	16,298
<b>Total Cash, Cash Equivalents and Restricted Cash</b>	<b>\$ 79,519</b>	<b>\$ 90,385</b>

**Supplemental Disclosures - cash paid during the year for:**

Interest	\$ 8,152	\$ 7,845
Taxes	-	-

See accompanying notes and independent accountants' review report.

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(1) History and Nature of Organization**

The Federated Charities Corporation of Frederick (Federated) was founded on March 24, 1911 for the purpose of offering charitable and benevolent work in Frederick City and County. The mission of Federated is to provide compassionate community services in Frederick and offer education and resources to support non-profits in a collaborative environment, which includes operating a nonprofit center, providing training and professional development to nonprofit professionals, offering space and collaboration opportunities to local 501(C)(3) organizations, as well as several direct service outreach programs which provide direct services to clients.

**(2) Summary of Significant Accounting Policies**

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

*Net Assets Without Donor Restrictions* – net assets that are not subject to or are no longer subject to donor imposed stipulations. These net assets are generally available for the operations of Federated.

*Net Assets With Donor Restrictions* – net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenue and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents - Federated considers all money market funds to be cash equivalents. Restricted cash consists of separate bank accounts maintained for security deposits received and held under the tenant rental program and fiscal sponsorships. The security deposit bank account is offset by a related liability, security deposits.

Contributions Receivable - Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management considers contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination is made. As of December 31, 2021 and 2020, all contributions receivable are expected to be collected within one year.

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(2) Summary of Significant Accounting Policies (continued)**

Property, Equipment, and Depreciation - Property and equipment is recorded at cost if purchased, and at fair market value if donated. Federated has a policy of capitalizing items over \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Building and improvements	15 - 40 years
Furniture and fixtures	7 years
Machinery and equipment	7 years

Revenue Recognition - Federated earns revenue primarily through tenant rental income, grants and contributions and fundraising income. In 2021 and 2020, Federated also earned revenue under a fiscal sponsorship agreement.

Federated recognizes revenue from tenant rental income during the period covered by the rental agreement. All amounts received in advance of the rental or access period are deferred to the applicable period.

Federated recognizes unconditional grants, contributions, fundraising and fiscal sponsorship income when the following are received - cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest. Conditional grants and contributions – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Tenant Rental Program - Federated leases approximately 87% of its real property to unrelated entities under year-to-year or multi-year leases, generally with terms of one to three years. Rental income for the years ended December 31, 2021 and 2020 was \$201,536 and \$220,344, respectively. During 2021, the facility was 80% to 95% occupied. During 2020, the facility was 80% to 100% occupied. Total space available is approximately 23,748 square feet of which 20,633 square feet is rented to 9 to 12 tenants. The remaining space of approximately 3,115 square feet is dedicated to co-work space, other programs and general administration.

Fiscal Sponsorship – In 2020 Federated entered into a fiscal sponsorship agreement with an individual for activities related to the sale and distribution of a book. Federated received donated books to be used for activities under this agreement that were recorded at the estimated fair value of \$29,446 as both a contribution and inventory. At December 31, 2020, Federated determined there had been a decline in value and recorded a write-down of \$25,317. The fiscal sponsorship agreement was terminated in February 2021. The termination of the fiscal sponsorship resulted in the expending of funds of \$17,806 to the Izaak Walton League of America per the terms of the agreement.

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(2) Summary of Significant Accounting Policies (continued)**

Functional Allocation of Expenses - Federated operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than on program or function. Salaries, payroll taxes and employee retirement costs are charged to program, management and general and fundraising based on actual time worked.

Fundraising and Advertising - Federated expenses fundraising and advertising costs as incurred. Fundraising costs and advertising were \$3,791 and \$3,605, respectively, for the year ended December 31, 2021. Fundraising costs and advertising were \$3,443 and \$8,922, respectively, for the year ended December 31, 2020.

Income Taxes - Federated is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Federated has been classified as a private operating foundation described in section 4942(j)(3) and is subject to federal excise tax on net investment income and income tax on unrelated business income. Federated did not have any net investment income or net unrelated business income for the years ended December 31, 2021 and 2020.

Federated annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Federated is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The organization believes it is no longer subject to income tax examinations for years prior to 2018.

Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles (US GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Material and Services - At times, Federated may benefit from services supplied by volunteers. The value of this contributed time is not reflected in these statements because it does not meet the criteria for recognition under US GAAP. Contributed services meeting the criteria for recognition under US GAAP are recorded at their fair market value in the period received. Donated materials and equipment, if any, are reflected as contributions at their estimated fair value at date of receipt. There were no donated material or services recorded for the year ended December 31, 2021. During the year ended December 31, 2020, Federated received donated inventory as noted above under a fiscal sponsorship agreement.

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(3) Property and Equipment**

Property and equipment consisted of the following at December 31:

	2021	2020
Building and improvements	\$2,380,304	\$2,380,304
Furniture and fixtures	18,070	18,070
Machinery and equipment	800	800
Total depreciable property and equipment	2,399,174	2,399,174
Less accumulated depreciation	1,199,387	1,139,422
	1,199,787	1,259,752
Land	158,000	158,000
Property and equipment, net	\$1,357,787	\$1,417,752

Depreciation expense for the years ended December 31, 2021 and 2020 was \$59,965 and \$59,965, respectively.

**(4) Notes Payable**

Federated has a promissory note with a local financial institution to finance its building. The note is collateralized by a deed of trust on the building. The note was refinanced in the amount of \$136,000 during July 2021. Under the current terms, the note is payable in monthly installments of \$685, including interest at 3.5%. Payments extend until maturity on July 22, 2026. A single “balloon payment” of the entire unpaid balance of Principal and interest will be due on maturity date.

In February 2020, Federated executed a note with an unrelated party to finance building renovations, payable in monthly installments of \$574, including interest at 4.5% through February 2035.

Interest expense on all notes payable for the years ended December 31, 2021 and 2020 was \$8,152 and \$7,845, respectively.

Maturities on notes payable at December 31, 2021 are as follows:

2022	\$	7,410
2023		7,714
2024		8,030
2025		8,359
2026		124,166
Thereafter		48,164

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(5) Leasing Agreements**

Operating Leases

Federated occasionally assumes operating leases for office equipment when a tenant vacates the premises. Rent expense under such leases for the years ended December 31, 2021 and 2020 was \$8,907 and \$7,697, respectively. Future minimum lease payments under these arrangements are as follows for the years ended December 31: \$9,804 for each of the years 2022 through 2026.

**(6) Line of Credit**

On February 5, 2019, Federated obtained a \$100,000 line of credit with a local bank. The interest rate is 4.75% and the line is secured by the assets of the organization. Interest-only payments are due monthly on any outstanding balance. The line expired on February 5, 2022. As of the date of this report, Federated is in the process of renewing the line of credit. There were no borrowings on the line during 2021 or 2020 and no outstanding balance as of December 31, 2021 and 2020.

**(7) Paycheck Protection Program Grant**

Federated was granted a \$15,100 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. Federated initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. Federated has recognized \$15,100 as grant revenue for the year ended December 31, 2020. In March, 2021, Federated was granted full forgiveness of the loan by the SBA.

**(8) Revenue Concentrations**

For the years ended December 31, 2021 and 2020, Federated received approximately 45% and 46% of rental income from two tenants, respectively. The current level of operations and programs may be impacted by the loss of these tenants.

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(9) SIMPLE IRA Plan**

Federated has a SIMPLE IRA plan that covers all full-time employees and part-time employees working more than 25 hours per week that have met certain service requirements. Employees may contribute any percentage of their salary provided they do not contribute more than the maximum permitted by law. Federated makes a safe harbor 3% company contribution for eligible employees. For the years ended December 31, 2021 and 2020, Federated contributed \$2,156 and \$1,674, respectively, in employer contributions to employee accounts.

**(10) Net Assets With Donor Restrictions**

The following illustrates items received and released from donor restrictions during the years ended December 31, 2021 and 2020 and the amount of net assets with donor restrictions remaining at December 31, 2021 and 2020:

**2021**

<u>Grantor</u>	<u>Beginning Balance</u>	<u>Contributions and Grants Received</u>	<u>Restrictions Met</u>	<u>Ending Balance</u>
Ausherman Family Foundation (2019)	\$ 1,102	\$ -	\$ 1,102	\$ -
Ausherman Family Foundation (2021)	-	2,000	2,000	-
Delaplaine Foundation	-	7,500	-	7,500
Vitarello fiscal sponsorship	16,298	1,508	17,806	-
Preservation Maryland	-	3,000	3,000	-
Serini Foundation	1,540	-	1,540	-
Unity Campaign	-	2,013	2,013	-
<b>Totals</b>	<b><u>\$ 18,940</u></b>	<b><u>\$ 16,021</u></b>	<b><u>\$ 27,461</u></b>	<b><u>\$ 7,500</u></b>

**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(10) Net Assets With Donor Restrictions (continued)**

**2020**

Grantor	Beginning Balance	Contributions and Grants Received	Restrictions Met	Ending Balance
Unity Campaign (2020)	\$ 4,944	\$ -	\$ 4,944	\$ -
Ausherman Foundation	6,400	-	5,298	1,102
Serini Foundation	6,400	-	4,860	1,540
Vitarello fiscal sponsorship	-	50,853	34,555	16,298
MD Department of Commerce				
COVID nonprofit relief	-	21,303	21,303	-
Paycheck Protection Program Grant	-	15,100	15,100	-
Mission Exterior	-	10,000	10,000	-
Delaplaine Foundation	-	5,500	5,500	-
City of Frederick	-	1,400	1,400	-
Totals	<u>\$ 17,744</u>	<u>\$ 104,156</u>	<u>\$ 102,960</u>	<u>\$ 18,940</u>

**(11) Liquidity and Availability of Financial Assets**

The following table reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long term investment as board designated endowments.

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 67,632	\$ 68,029
Restricted cash	11,887	22,356
Contributions receivable	353	426
Financial assets, at year end	<u>79,872</u>	<u>90,811</u>
Less those unavailable for general expenditure within on year, due to:		
Restricted cash	(11,887)	(22,356)
Restricted by donors	<u>(7,500)</u>	<u>(2,642)</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 60,485</u>	<u>\$ 65,813</u>



**The Federated Charities Corporation of Frederick**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(11) Liquidity and Availability of Financial Assets (continued)**

Federated has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Federated applies for grants to cover specific programs and other expenses and considers undesignated contributions and fundraising campaigns to cover general mission and operating expenses. As of the date of this report, Federated is in the process of renewing its unsecured \$100,000 line of credit to be available to meet short-term needs.

**(12) Subsequent Events**

Management has evaluated subsequent events through May 2, 2022, the date that the financial statements were available to be issued. There were no subsequent events that required disclosure in these financial statements.

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