CRYSTAL RUN VILLAGE FOUNDATION, INC.

Financial Statements
as of March 31, 2021
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

January 11, 2022

To the Board of Directors of
Crystal Run Village Foundation, Inc.:

Report on Financial Statements

We have audited the accompanying financial statements of the Crystal Run Foundation, Inc. (the Foundation), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities and change in net assets and cash flows for the year 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 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 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 the Foundation as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Summarized Comparative Information

We have previously audited the Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bonadio & Co., LLP

CRYSTAL RUN VILLAGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 868,344	$ 1,146,184
Prepaid expenses and other current assets	17,732	7,034
Total current assets	886,076	1,153,218
OTHER ASSETS:		
Investments	4,028,757	2,927,138
Investment in the Community Foundation	40,105	30,374
Property and equipment, net	130,320	139,011
Total other assets	4,199,182	3,096,523
Total assets	$ 5,085,258	$ 4,249,741
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 320	$ -
Due to related party	124,974	50,106
Deferred revenue	7,400	-
Total liabilities	132,694	50,106
NET ASSETS:		
Without donor restrictions	4,569,960	3,828,725
With donor restrictions	382,604	370,910
Total net assets	4,952,564	4,199,635
Total liabilities and net assets	$ 5,085,258	$ 4,249,741

The accompanying notes are an integral part of these statements.

CRYSTAL RUN VILLAGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020
SUPPORT AND REVENUES:				
Special events	$ 60,565	$ -	$ 60,565	$ 89,455
Contributions	102,237	33,124	135,361	398,010
Investment income (loss), net	1,111,025	-	1,111,025	(210,307)
Release of restrictions	21,430	(21,430)	-	-
Total support and revenues	1,295,257	11,694	1,306,951	277,158
EXPENSES:				
Program services -				
Special events	15,221	-	15,221	46,831
Grant expense	271,814	-	271,814	31,150
Consumer luncheon	-	-	-	16,127
Consumer welfare - occupancy	28,958	-	28,958	32,465
Total program services	315,993	-	315,993	126,573
Management and general -				
Management fees	155,411	-	155,411	84,643
Occupancy	6,636	-	6,636	9,273
Office	3,244	-	3,244	967
Professional fees	22,903	-	22,903	13,131
Software	15,290	-	15,290	-
Insurance	13,873	-	13,873	6,101
Other	12,293	-	12,293	6,380
Total management and general	229,650	-	229,650	120,495
Fundraising	8,379	-	8,379	3,016
Total expenses	554,022	-	554,022	250,084
CHANGE IN NET ASSETS	741,235	11,694	752,929	27,074
NET ASSETS - beginning of year	3,828,725	370,910	4,199,635	4,172,561
NET ASSETS - end of year	$ 4,569,960	$ 382,604	$ 4,952,564	$ 4,199,635

The accompanying notes are an integral part of these statements.

CRYSTAL RUN VILLAGE FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021
(With Comparative Totals for 2020)

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 752,929	$ 27,074
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	8,691	8,691
(Gain)/loss on investments	(1,083,825)	267,448
Changes in:		
Prepaid expenses and other current assets	(10,698)	2,065
Accounts payable and accrued expenses	320	-
Due to related party	74,868	13,970
Deferred revenue	7,400	(1,550)
Net cash flow from operating activities	(250,315)	317,698
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,207,045)	(638,050)
Proceeds from sale of investments	1,179,520	581,883
Net cash flow from investing activities	(27,525)	(56,167)
CHANGE IN CASH	(277,840)	261,531
CASH - beginning of year	1,146,184	884,653
CASH - end of year	$ 868,344	$ 1,146,184

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

Crystal Run Village Foundation, Inc. (the Foundation) is a nonprofit organization organized under the Not-for-Profit Corporation Law of New York. The Foundation solicits donations, gifts and raises funds from the public to assist the needs of individuals with developmental disabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States (GAAP).

Comparative Totals
The financial statements include certain prior year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended March 31, 2020, from which the summarized information was derived.

Financial Reporting
The Foundation reports its activities and the related net assets using the following net asset categories:

- **Net Assets Without Donor Restrictions**
  Net assets without donor restrictions include resources that are available for the support of the Foundation's operating activities. In addition, they include the Foundation's net investment in property and equipment.

- **Net Assets With Donor Restrictions**
  Net assets with donor restrictions include resources that have been donated to the Foundation subject to restrictions as defined by the donor. When a donor restriction is met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction. If donor-imposed restrictions were met in the same reporting period as the recognition of the contribution, the contribution is reported as net assets without donor restrictions.

Cash and Cash Equivalents
Cash and cash equivalents consists of bank demand deposit accounts, which at times may exceed federally insured limits, and money market funds, which are not federally insured. The Foundation has not experienced any losses in such accounts and believe that they are not exposed to any credit risk with respect to cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at fair value based on quoted market prices. The Foundation invests in various types of investment securities. Investment income is included in the statements of activities and change in net assets.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 accompanying financial statements.

Financial Instruments Measured at Fair Value

Generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The valuation technique used to measure fair value for the Foundation's investments in money market funds, fixed income mutual funds and equity mutual funds was based on quoted market prices, consistent with the market approach.

The valuation technique used to measure fair value of the Foundation's investment in the Community Foundation was based on the Foundation's percentage of the fair value of the underlying investments, consistent with the market approach.

There were no changes to the valuation techniques during 2021 or 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment
Property and equipment are recorded at cost if purchased or the fair market value at the date of donation. Expenditures for property and equipment greater than $5,000 and with an estimated useful lives in excess of one year are capitalized. Maintenance and repairs are charged to operations when incurred. Depreciation expense is recorded on all property and equipment on a straight-line basis over the estimated useful lives of the respective assets, which range between five (5) to 25 years.

Contributions
Contributions are recognized as revenue in the year an unconditional promise to give is received and are recorded at fair value. Contributions are recorded as without donor restrictions or with donor restrictions depending on the nature of the donor-imposed restrictions. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

Allocation of Certain Expenses
The costs of providing the program and supporting service activities have been directly charged.

Income Taxes
The Foundation is a New York not-for-profit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Donated Services
Volunteers have donated significant amounts of time in support of the Foundation's activities. However, the values of these services do not meet the criteria for recognition under generally accepted accounting principles.

Estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Change in Accounting Principle
In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement.* This ASU eliminates, adds, and modifies certain disclosure requirements for fair value measurements. The standard is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Foundation has adopted this standard in fiscal 2021. The disclosure requirements are being applied on a retrospective approach. The adoption of this guidance had no impact on the statement of financial position and the statement of activities and change in net assets.

3. LIQUIDITY

The Foundation has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation analyzes projects before funding them to ensure adequate resources are available.

The Foundation's financial assets available within one year of the statements of financial position date for general expenditure were as follows:

	2021	2020
Cash and equivalents	$ 868,344	$ 1,146,184
Investments	4,068,862	2,957,512
Total financial assets	4,937,206	4,103,696
Less those unavailable for general expenditure:		
Subject to satisfaction of donor restrictions	(382,604)	(370,910)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,554,602	$ 3,732,786

4. INVESTMENTS

Investments consist of the following at March 31:

	2021	2020
Money market funds	$ 72,079	$ 106,126
Fixed income mutual funds	1,321,095	1,028,814
Equity funds	2,635,583	1,792,198
	$ 4,028,757	$ 2,927,138

Investment income, net reported in the statement of activities and changes in net assets consisted of the following for the year ended March 31:

	2021	2020
Interest and dividends	$ 52,628	$ 77,285
Realized and unrealized gain (loss)	1,083,825	(265,573)
Investment management fees	(25,428)	(22,019)
	$ 1,111,025	$ (210,307)

5. INVESTMENT IN THE COMMUNITY FOUNDATION

The Foundation has established an account at the Community Foundation of Orange and Sullivan (the Community Foundation). These accounts are included in the accompanying statement of financial position as an investment in the Community Foundation at fair value. Withdrawals from the account require approval by the Community Foundation's Board of Directors. At March 31, 2021 and 2020, there were no unfunded commitments. Investments in the Community Foundation for the years ending March 31, 2021 and 2020 amounted to $40,105 and $30,374, respectively.

6. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at March 31, 2021:

Description	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 72,079	$ -	$ -	$ 72,079
Fixed income mutual funds	1,321,095	-	-	1,321,095
Equity mutual funds	2,635,583	-	-	2,635,583
Total investments	4,028,757	-	-	4,028,757
Investments in the Community Foundation	-	40,105	-	40,105
Total	$ 4,028,757	$ 40,105	$ -	$ 4,068,862

The following are measured at fair value on a recurring basis at March 31, 2020:

Description	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 106,126	$ -	$ -	$ 106,126
Fixed income mutual funds	1,028,814	-	-	1,028,814
Equity mutual funds	1,792,198	-	-	1,792,198
Total investments	2,927,138	-	-	2,927,138
Investments in the Community Foundation	-	30,374	-	30,374
Total	$ 2,927,138	$ 30,374	$ -	$ 2,957,512

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	2021	2020
Land	$ 5,430	$ 5,430
Buildings and improvements	158,249	158,249
Furniture and equipment	13,200	13,200
	176,879	176,879
Less: Accumulated depreciation	(46,559)	(37,868)
	$ 130,320	$ 139,011

Depreciation expense was $8,691 for the years ended March 31, 2021 and 2020.

8. RELATED PARTY TRANSACTIONS

Crystal Run Village, Inc. (CRVI) provides services to people with disabilities in the Hudson Valley and Catskill regions of New York. The Foundation shares common management, staff and administrative support with CRVI.

The Foundation reimburses CRVI for management support on a quarterly basis under the terms of an operating agreement. At March 31, 2021 and 2020, the Foundation owed CRVI $111,699 and $50,106 related to this agreement, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Specific Purposes

At March 31, net assets identified by their specific purposes amounted to:

	2021	2020
Continuing education	$ 357,355	$ 357,186
Special needs of those with developmental disabilities	13,723	13,724
Staff appreciation	11,526	-
	$ 382,604	$ 370,910

Release of Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	2021	2020
Continuing education	$ -	$ 2,000
Special needs of those with developmental disabilities	-	2,544
Staff appreciation	21,430	-
	$ 21,430	$ 4,544

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 11, 2022, which is the date the financial statements were available to be issued.