



**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

## BARR FOUNDATION

Contents  
December 31, 2020 and 2019

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Independent Auditor's Report

To the Board of Trustees of  
Barr Foundation:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Barr Foundation (a Massachusetts charitable trust, not for profit) which comprise the statements of financial position as of December 31, 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 Barr Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*AAFCPAs, Inc.*

Westborough, Massachusetts  
December 8, 2021

**BARR FOUNDATION**Statements of Financial Position  
December 31, 2020 and 2019

| <b>Assets</b>                                | <b>2020</b>         | <b>2019</b>         |
|--|---------------------|---------------------|
| Current Assets:                              |                     |                     |
| Cash and cash equivalents                    | \$ 58,674           | \$ 31,515           |
| Distributions receivable                     | 47,180              | 2,966               |
| Prepaid expenses                             | 1                   | 59                  |
| Taxes receivable                             | 3,259               | 1,979               |
| Total current assets                         | 109,114             | 36,519              |
| Investments, at fair value                   | 2,940,065           | 2,059,841           |
| Property and Equipment, net                  | 274                 | 335                 |
| Total assets                                 | <u>\$ 3,049,453</u> | <u>\$ 2,096,695</u> |
| <b>Liabilities and Net Assets</b>            |                     |                     |
| Current Liabilities:                         |                     |                     |
| Accounts payable, accrued expenses and other | 927                 | 1,513               |
| Payable to related party                     | 778                 | 704                 |
| Total current liabilities                    | 1,705               | 2,217               |
| Deferred Federal Excise Taxes                | 20,256              | 5,828               |
| Total liabilities                            | 21,961              | 8,045               |
| Net Assets Without Donor Restrictions        | 3,027,492           | 2,088,650           |
| Total liabilities and net assets             | <u>\$ 3,049,453</u> | <u>\$ 2,096,695</u> |

**BARR FOUNDATION**

Statements of Activities and Changes in Net Assets  
 For the Years Ended December 31, 2020 and 2019

|  | <u>2020</u>                | <u>2019</u>                |
|--|----------------------------|----------------------------|
| <b>Operating Revenue:</b>                        |                            |                            |
| Investment return, net                           | \$ 1,030,209               | \$ 372,144                 |
| Contributions                                    | <u>27,399</u>              | <u>19,864</u>              |
| Total operating revenue                          | <u>1,057,608</u>           | <u>392,008</u>             |
| <b>Operating Expenses:</b>                       |                            |                            |
| Grants awarded                                   | 87,367                     | 84,138                     |
| Deferred federal excise taxes                    | 14,428                     | 888                        |
| Salary and related                               | 8,854                      | 7,951                      |
| Program consultants and professional services    | 6,059                      | 4,803                      |
| Current provision for taxes                      | 1,222                      | 2,893                      |
| Office and other                                 | 747                        | 1,054                      |
| Depreciation                                     | 89                         | 83                         |
| Guaranty payment                                 | -                          | 1,332                      |
| Travel   | <u>-</u>                   | <u>224</u>                 |
| Total expenses                                   | <u>118,766</u>             | <u>103,366</u>             |
| Changes in net assets without donor restrictions | 938,842                    | 288,642                    |
| <b>Net Assets Without Donor Restrictions:</b>    |                            |                            |
| Beginning of year                                | <u>2,088,650</u>           | <u>1,800,008</u>           |
| End of year                                      | <u><u>\$ 3,027,492</u></u> | <u><u>\$ 2,088,650</u></u> |

**BARR FOUNDATION**

## Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

|   | <u>2020</u>             | <u>2019</u>             |
|---|-------------------------|-------------------------|
| <b>Cash Flows from Operating Activities:</b>  |                         |                         |
| Changes in net assets without donor restrictions  | \$ 938,842              | \$ 288,642              |
| Adjustments to reconcile changes in net assets without donor restrictions to net cash used in operating activities: |                         |                         |
| Depreciation  | 89                      | 83                      |
| Donated securities  | (27,399)                | (19,864)                |
| Net unrealized and realized gains on investments  | (1,025,975)             | (366,395)               |
| Deferred federal excise taxes   | 14,428                  | 888                     |
| Changes in operating assets and liabilities:  |                         |                         |
| Prepaid expenses  | 58                      | (10)                    |
| Taxes receivable  | (1,280)                 | 1,225                   |
| Accounts payable, accrued expenses and other  | (586)                   | 1,055                   |
| Payable to related party  | 74                      | 82                      |
| Net cash used in operating activities   | <u>(101,749)</u>        | <u>(94,294)</u>         |
| <b>Cash Flows from Investing Activities:</b>  |                         |                         |
| Distributions receivable  | (44,214)                | (2,846)                 |
| Purchase of property and equipment  | (28)                    | (73)                    |
| Purchase of investments   | (108,066)               | (184,409)               |
| Proceeds from sale of investments   | <u>281,216</u>          | <u>248,991</u>          |
| Net cash provided by investing activities   | <u>128,908</u>          | <u>61,663</u>           |
| <b>Net Change in Cash and Cash Equivalents</b>  | 27,159                  | (32,631)                |
| <b>Cash and Cash Equivalents:</b>   |                         |                         |
| Beginning of year   | <u>31,515</u>           | <u>64,146</u>           |
| End of year   | <u><u>\$ 58,674</u></u> | <u><u>\$ 31,515</u></u> |
| <b>Supplemental Disclosure of Cash Flow Information:</b>  |                         |                         |
| Cash paid for taxes   | <u><u>\$ 2,520</u></u>  | <u><u>\$ 1,757</u></u>  |
| Securities distributed from investments   | <u><u>\$ 5,938</u></u>  | <u><u>\$ 6,224</u></u>  |

## **BARR FOUNDATION**

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### **1. ORGANIZATION AND TAX STATUS**

The Barr Foundation (the Foundation) was formed on December 12, 1987, as a non-operating private foundation. Unrestricted contributions may be accepted by the Foundation at the discretion of the Board of Trustees. Donations are made to charitable organizations also at the discretion of the Board of Trustees.

The Foundation is exempt from Federal income taxes as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation is also exempt from state income taxes. Donors may deduct contributions made to the Foundation within the requirements of the Code. Beginning in 2020, the Code imposes an excise tax on private foundations equal to a flat rate of 1.39% of the net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). Prior to 2020, the Code imposed an excise tax on private foundations equal to 2% of the net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). The tax was reduced to 1% when a foundation met certain distribution requirements under Section 4940(e) of the Code (see Note 4). Certain income defined as unrelated business income by the Code may be subject to ordinary trust income tax rates.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The Foundation prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### **Estimates**

The preparation of financial statements in accordance with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Net Assets**

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Foundation. The Foundation has no donor-restricted resources.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid fixed term securities with initial maturities of three months or less.

#### **Distributions Receivable**

Distributions receivable are recorded by the Foundation when an investment position is deemed to be liquidated during the year and the payment is not received until the following year. Distribution receivable was \$47,180 and \$2,966 as of December 31, 2020 and 2019, respectively.

## BARR FOUNDATION

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property and Equipment and Depreciation

Property and equipment having a value of \$10k or more and a useful life of at least three years are capitalized. Purchased property and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

|                                   |         |
|-----------------------------------|---------|
| Furniture, fixtures and equipment | 7 years |
| Software and computer equipment   | 3 years |

#### Fair Value Measurements

The Foundation follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Foundation would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Foundation uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Foundation. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.



## **BARR FOUNDATION**

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Fair Value Measurements (Continued)**

##### *Investments*

The Foundation records investments in marketable securities at fair market value. These investments consist of highly liquid securities such as money market funds and bank deposit agreements. Limited liquidity investments are stated at estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships or limited liability companies (LLC) and are generally subject to certain withdrawal restrictions. In accordance with standards pertaining to *Fair Value Measurements of Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the Foundation uses each fund's net asset value per share to calculate and report the fair value of these investments. Values for these limited partnerships and LLCs, which may invest in both marketable and non-marketable securities, are determined by the Foundation's management based on information provided by each limited partnership's general partner or LLC's managing member and may be based on historical cost, appraisals, market values discounted for concentration of ownership, or other estimates. Because of the inherent uncertainty of valuing the investments in such limited partnerships and LLCs and uncertainty of the value of the underlying investments held by the limited partnerships and LLCs, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a readily available market value for the investments existed, and that difference may be material. If a valuation was not available from the general partner or managing member as of year-end, the financial statements report the most recent prior valuation updated by subsequent capital calls and distributions. The Foundation believes that the carrying amount of its limited liquidity investments is a reasonable estimate of fair value as of December 31, 2020 and 2019.

##### *All Other Assets and Liabilities*

The carrying value of all other assets and liabilities does not differ materially from its estimated fair value and are considered Level 1 in the fair value hierarchy.

#### **Revenue Recognition**

##### *Contributions*

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Foundation must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barriers or other measurable barriers, stipulations that limit discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Foundation should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. There were no conditional awards as of December 31, 2020. Contributions without donor restrictions are recognized when received or unconditionally pledged.

##### *Investment Returns*

Interest and dividends are recorded when earned. Gains and losses are recognized as incurred upon sales or based on market value changes during the period (see Note 3).

## **BARR FOUNDATION**

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Expense Allocation**

The financial statements report certain categories of expenses that are attributable to one of the functions of the Foundation (program or administrative). The allocation percentages of program or administrative expenses will be reviewed annually to ensure that an accurate depiction of the Foundation's activities is clearly presented in the financial statements each year. The expenses that are allocated are salary and related, travel, and office and other, which are allocated based on estimates of time and effort spent on respective functions.

#### **Grants Awarded**

The Foundation recognizes grants once the Board of Trustees approves the grants and all significant conditions are met. The Foundation paid grants totaling \$87,367 and \$84,138 during the years ended December 31, 2020 and 2019, respectively. In addition, the Trustees of the Foundation have made conditional commitments (see Note 8).

#### **Income Taxes**

The Foundation accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Foundation has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2020 and 2019.

#### **Subsequent Events**

Subsequent events have been evaluated through December 8, 2021, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

**BARR FOUNDATION**

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

**3. INVESTMENTS**

Investments (see Note 2) consist of the following at December 31:

| <u>Investment Type</u> | <b>2020</b>       |                |                |                     |
|------------------------|-------------------|----------------|----------------|---------------------|
|                        | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Long Only *            | \$ 29,445         | \$ -           | \$ -           | \$ 461,309          |
| Private Equity *       | -                 | -              | -              | 1,478,837           |
| Hedge *                | -                 | -              | -              | 852,929             |
| Real Assets *          | -                 | -              | -              | 36,282              |
| U.S. Equities          | 20,027            | -              | -              | 20,027              |
| Mutual Funds           | <u>90,681</u>     | <u>-</u>       | <u>-</u>       | <u>90,681</u>       |
| Total investments      | <u>\$ 140,153</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 2,940,065</u> |

  

| <u>Investment Type</u> | <b>2019</b>       |                |                |                     |
|------------------------|-------------------|----------------|----------------|---------------------|
|                        | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Long Only *            | \$ 28,251         | \$ -           | \$ -           | \$ 377,062          |
| Private Equity *       | -                 | -              | -              | 755,009             |
| Hedge *                | -                 | -              | -              | 717,864             |
| Real Assets *          | -                 | -              | -              | 85,047              |
| U.S. Equities          | 12,792            | -              | -              | 12,792              |
| Mutual Funds           | <u>112,067</u>    | <u>-</u>       | <u>-</u>       | <u>112,067</u>      |
| Total investments      | <u>\$ 153,110</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 2,059,841</u> |

\* In accordance with ASC Topic, *Fair Value Measurements*, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Investment return, net consists of the following at December 31:

|                                | <u>2020</u>         | <u>2019</u>       |
|--------------------------------|---------------------|-------------------|
| Net unrealized gains           | \$ 921,619          | \$ 87,684         |
| Net realized gains             | 104,356             | 278,711           |
| Investment income              | 4,570               | 6,513             |
| Investment management fees     | <u>(336)</u>        | <u>(764)</u>      |
| Total net gains on investments | <u>\$ 1,030,209</u> | <u>\$ 372,144</u> |

Investment management fees paid directly to managers totaled \$336 and \$764 for 2020 and 2019, respectively. Additional investment fees that were not paid directly to the managers have been netted against the return on certain investments. Investments are not insured and are subject to ongoing market fluctuations. Investments are classified as non-current assets regardless of instrument liquidity.

As of December 31, 2020 and 2019, the Foundation was committed to contribute \$249,940 and \$158,768, respectively, in additional capital to various types of investments throughout the terms of those investments, normally not to exceed ten years.

## BARR FOUNDATION

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### 4. PROVISION FOR TAXES

The current provision for taxes consists of a Federal excise tax on net investment income and Federal and state taxes on unrelated business income tax (UBIT) as follows:

|                             | <u>2020</u>     | <u>2019</u>     |
|-----------------------------|-----------------|-----------------|
| Excise tax                  | \$ 1,218        | \$ 2,810        |
| UBIT taxes                  | 4               | 13              |
| Foreign taxes               | <u>-</u>        | <u>70</u>       |
| Current provision for taxes | <u>\$ 1,222</u> | <u>\$ 2,893</u> |

The UBIT benefit denoted is attributable to the fact that due to the timing of available tax information for some investments, the Foundation has elected to account for its UBIT activity for a given fiscal year in the subsequent fiscal year.

The Foundation also records a deferred tax provision based on the change in unrealized appreciation on investments. The provision for deferred taxes of \$14,428 in 2020 was based on the new flat rate of 1.39% that became effective under the Code in 2020 (see Note 1). The deferred provision of \$888 for 2019 was based on the reduced rate of 1%, as a result of meeting certain thresholds related to charitable distributions. These provisions are reflective as increases to deferred Federal excise taxes in the accompanying statements of financial position.

Taxes receivable consist of overpayments of Federal excise tax and Federal and state taxes on UBIT as follows:

|                  | <u>2020</u>     | <u>2019</u>     |
|------------------|-----------------|-----------------|
| Excise tax       | \$ 3,195        | \$ 1,900        |
| UBIT             | <u>64</u>       | <u>79</u>       |
| Taxes receivable | <u>\$ 3,259</u> | <u>\$ 1,979</u> |

### 5. LINE OF CREDIT

The Foundation has available up to \$30 million under a revolving demand note, which is secured by certain investments of the Foundation. The revolving demand note bears interest at the ninety-day London Interbank Offered Rate (LIBOR) (0.23% and 1.91% at December 31, 2020 and 2019, respectively), plus 2.5%, and borrowings are due on demand. As of December 31, 2020 and 2019, there were no outstanding balances under this agreement. The line of credit is secured by a first priority interest in certain investments with a total net asset value of \$120 million. In addition, the Foundation must maintain certain financial ratios and covenants under this agreement. The Foundation was in compliance with these financial ratios and covenants at December 31, 2020 and 2019.

## BARR FOUNDATION

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### 6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

|                                   | <u>2020</u>   | <u>2019</u>   |
|-----------------------------------|---------------|---------------|
| Furniture, fixtures and equipment | \$ 654        | \$ 626        |
| Software and computer equipment   | <u>7</u>      | <u>7</u>      |
|                                   | 661           | 633           |
| Less - accumulated depreciation   | <u>387</u>    | <u>298</u>    |
|                                   | <u>\$ 274</u> | <u>\$ 335</u> |

### 7. RELATED PARTY TRANSACTIONS

The Foundation purchases personnel services for grant making activities, administrative functions and investment management from disqualified persons, as defined by the Code. These amounts are recorded as expenses in the accompanying financial statements as incurred. Payments to related parties totaled \$8,528 and \$7,799 for the years ended December 31, 2020 and 2019, respectively. Amounts due to related parties were \$778 and \$704 as of December 31, 2020 and 2019, respectively.

The Foundation receives use of its office space free of rent and other facilities charges from these same disqualified persons. The estimated fair value of the annual rent and other building charges was \$638 and \$636 for 2020 and 2019, respectively. These amounts are not recorded as income or expense of the Foundation as they are immaterial to the financial statements as a whole.

The Trustees of the Foundation serve as trustees or advisors for a number of charitable organizations to which the Foundation makes gifts from time-to-time. The Foundation's co-founding trustees contributed \$27,399 and \$19,864 to the Foundation during for 2020 and 2019, respectively.

### 8. COMMITMENTS AND CONTINGENCIES

As of December 31, for 2020 and 2019, the Trustees of the Foundation have approved and made conditional commitments for grants totaling \$45,216 and \$48,108, respectively. These amounts are scheduled for payment through 2023 if conditions for payment are met.

During 2012, as part of its Global program, the Foundation entered into an agreement to support Envirofit, an organization that focused on providing affordable stoves to lower income families throughout the world. The Foundation did not provide a direct grant to Envirofit, but rather, agreed to serve as a guarantor on Envirofit's loan with Calvert Impact Capital with a maximum expose of \$1,500. In September 2019, Envirofit's financial difficulties forced Calvert Impact Capital to issue a demand letter to the Foundation, at which time the Foundation fulfilled its obligation as guarantor by remitting payment of \$1,332 to cover the guarantee. This payment is reflected as guaranty payment in the accompanying 2019 statement of activities and changes in net assets.

### 9. CONCENTRATION OF CREDIT RISK

The Foundation maintains a portion of its cash and cash equivalents balances at a financial institution in Massachusetts. At times, balances may exceed the maximum amount of insurance provided by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on its cash balances.

**BARR FOUNDATION**

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

**10. EXPENSES - NATURAL AND FUNCTIONAL CLASSIFICATION**

The Foundation's operating expenses by their natural and functional classifications are as follows for the years ended December 31:

|   | <b>2020</b>      |                             |                   |
|---|------------------|-----------------------------|-------------------|
|   | <b>Program</b>   | <b>Adminis-<br/>trative</b> | <b>Total</b>      |
| Grants awarded                                | \$ 87,367        | \$ -                        | \$ 87,367         |
| Deferred Federal excise taxes                 | -                | 14,428                      | 14,428            |
| Salary and related                            | 5,548            | 3,306                       | 8,854             |
| Program consultants and professional services | 5,899            | 160                         | 6,059             |
| Current provision for taxes                   | -                | 1,222                       | 1,222             |
| Office and other                              | 96               | 651                         | 747               |
| Depreciation                                  | -                | 89                          | 89                |
| Total   | <u>\$ 98,910</u> | <u>\$ 19,856</u>            | <u>\$ 118,766</u> |

  

|   | <b>2019</b>      |                             |                   |
|---|------------------|-----------------------------|-------------------|
|   | <b>Program</b>   | <b>Adminis-<br/>trative</b> | <b>Total</b>      |
| Grants awarded                                | \$ 84,138        | \$ -                        | \$ 84,138         |
| Deferred Federal excise taxes                 | -                | 888                         | 888               |
| Salary and related                            | 4,597            | 3,354                       | 7,951             |
| Program consultants and professional services | 4,535            | 268                         | 4,803             |
| Current provision for taxes                   | -                | 2,893                       | 2,893             |
| Office and other                              | 388              | 666                         | 1,054             |
| Depreciation                                  | -                | 83                          | 83                |
| Guaranty payment                              | 1,332            | -                           | 1,332             |
| Travel  | 179              | 45                          | 224               |
| Total   | <u>\$ 95,169</u> | <u>\$ 8,197</u>             | <u>\$ 103,366</u> |

**11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As of December 31, 2020 and 2019, the Foundation had \$105,854 and \$34,481, respectively, of financial assets available within one year of the statements of financial position date to meet cash needs for expenditures. These assets consist of cash and cash equivalents of \$58,674 and \$31,515 and distribution receivables of \$47,180 and \$2,966 as of December 31, 2020 and 2019, respectively. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date. The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to support approximately one year of operating expenses. The Foundation also has a \$30 million line of credit (see Note 5), which it could draw upon in the event of unanticipated liquidity needs.

## **BARR FOUNDATION**

Notes to Financial Statements  
December 31, 2020 and 2019  
(000 Omitted)

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### **12. CONTINGENCY**

In March 2020, the COVID-19 coronavirus pandemic emerged in the United States triggering widespread government mandated and voluntary business closures, which in turn have led to substantial interruptions in financial markets, employment and the economy as a whole. Though the potential financial effects cannot be reasonably estimated at this time, these circumstances may have adverse effects on the Foundation, its operations and future financial statements. The accompanying financial statements have not been adjusted for any potential financial effects that may occur in the future related to the current uncertainty.

Management of the Foundation is monitoring these events closely to assess the potential financial impact of the situation and determine appropriate courses of action. As of the date of this report, the Foundation is unable to accurately predict how the coronavirus will affect the results of its operations because the disease's severity and the duration of the outbreak are uncertain.