Community Foundation of Northern Colorado

Consolidated Financial Report

June 30, 2021

Contents

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Independent Auditor's Report

To the Board of Trustees
Community Foundation of Northern Colorado

We have audited the accompanying consolidated financial statements of Community Foundation of Northern Colorado and its subsidiary (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2021 and 2020 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Northern Colorado and its subsidiary as of June 30, 2021 and 2020 and the results of their activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

December 21, 2021

Consolidated Statement of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 1,196,994	$ -
Investments	183,139,405	129,008,505
Receivables - Net:		
Contributions receivable	184,435	222,440
Notes receivable	29,363	54,251
Other accounts receivable	-	150
Prepaid expenses and other assets	20,607	35,448
Beneficial interest in trusts held by third parties	3,276,736	2,568,749
Property and equipment - Net	770,175	782,006
Total assets	**$ 188,617,715**	**$ 132,671,549**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	$ 99,743	$ 182,688
Split-interest agreement liabilities	9,973,409	3,552,603
Assets held for agency funds	41,380,453	26,308,044
Note payable (Note 7)	-	212,263
Total liabilities	51,453,605	30,255,598
Net Assets		
Without donor restrictions	72,752,060	56,268,199
With donor restrictions	64,412,050	46,147,752
Total net assets	137,164,110	102,415,951
Total liabilities and net assets	**$ 188,617,715**	**$ 132,671,549**

Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	$ 18,780,347	$ 11,073,791	$ 29,854,138	$ 10,981,724	$ 6,870,170	$ 17,851,894
Less agency contributions	(9,768,798)	-	(9,768,798)	(1,195,010)	-	(1,195,010)
Management fees	6,216	-	6,216	4,792	-	4,792
Net realized and unrealized gains on investments	14,814,818	14,789,492	29,604,310	716,662	1,628,267	2,344,929
Interest and dividend income	1,262,671	1,236,147	2,498,818	1,224,939	1,440,636	2,665,575
Net investment earnings of agency funds	(6,378,824)	-	(6,378,824)	(1,213,968)	-	(1,213,968)
Change in value of split-interest agreements	-	(1,409,790)	(1,409,790)	-	(141,758)	(141,758)
Other revenue	-	1,797	1,797	-	-	-
Paycheck Protection Program loan forgiveness	-	212,263	212,263	-	-	-
Net assets released from restrictions	7,639,402	(7,639,402)	-	6,889,191	(6,889,191)	-
Total revenue, gains, and other support	26,355,832	18,264,298	44,620,130	17,408,330	2,908,124	20,316,454
Expenses						
Program services:						
Grant-making and program expenses	9,539,594	-	9,539,594	9,948,483	-	9,948,483
Less agency funds grants	(1,075,213)	-	(1,075,213)	(1,421,736)	-	(1,421,736)
Total program services	8,464,381	-	8,464,381	8,526,747	-	8,526,747
Support services:						
Management and general	916,900	-	916,900	860,039	-	860,039
Fundraising	490,690	-	490,690	510,433	-	510,433
Total support services	1,407,590	-	1,407,590	1,370,472	-	1,370,472
Total expenses	9,871,971	-	9,871,971	9,897,219	-	9,897,219
Increase in Net Assets	16,483,861	18,264,298	34,748,159	7,511,111	2,908,124	10,419,235
Net Assets - Beginning of year	56,268,199	46,147,752	102,415,951	48,757,088	43,239,628	91,996,716
Net Assets - End of year	**$ 72,752,060**	**$ 64,412,050**	**$ 137,164,110**	**$ 56,268,199**	**$ 46,147,752**	**$ 102,415,951**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services	Support Services		
	Grant-making and Program	Management and General	Fundraising	Total
Grants and program expenses	$ 7,821,710	$ -	$ -	$ 7,821,710
Salaries and benefits	512,926	491,317	407,435	1,411,678
Professional services	118,492	206,791	21,888	347,171
Office supplies and expenses	-	108,564	-	108,564
Development, events, and travel	-	11,394	58,442	69,836
Technology expenses	2,925	27,156	2,925	33,006
Depreciation	-	29,966	-	29,966
Occupancy costs	-	26,008	-	26,008
Marketing and printing	8,328	15,704	-	24,032
Total functional expenses	**$ 8,464,381**	**$ 916,900**	**$ 490,690**	**$ 9,871,971**

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services	Support Services		
	Grant-making and Program	Management and General	Fundraising	Total
Grants and program expenses	$ 7,823,192	$ -	$ -	$ 7,823,192
Salaries and benefits	650,572	436,740	388,949	1,476,261
Professional services	-	179,170	-	179,170
Office supplies and expenses	-	109,251	-	109,251
Development, events, and travel	8,370	5,619	93,713	107,702
Technology expenses	27,771	42,448	27,771	97,990
Occupancy costs	-	45,130	-	45,130
Marketing and printing	16,842	12,469	-	29,311
Depreciation	-	29,212	-	29,212
Total functional expenses	**$ 8,526,747**	**$ 860,039**	**$ 510,433**	**$ 9,897,219**

Consolidated Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 34,748,159	$ 10,419,235
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	29,966	29,212
Contribution of investments	(7,316,626)	(4,896,579)
Net realized and unrealized gains on investments	(29,604,310)	(2,344,929)
Change in present value of contributions receivable	1,005	(2,777)
Change in value of split-interest agreements	1,409,790	141,758
Gain on sale of property and equipment	(3,394)	-
Gain on forgiveness of note payable	(212,263)	-
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Contributions receivable	37,000	144,500
Other accounts receivable	150	9,864
Prepaid expenses and other assets	14,841	5,639
Accounts payable and accrued liabilities	(82,945)	7,272
Assets held for agency funds	15,072,409	987,242
Net cash and cash equivalents provided by operating activities	14,093,782	4,500,437
Cash Flows from Investing Activities		
Purchases of investments	(120,565,107)	(74,431,008)
Proceeds from sales and maturities of investments	103,355,143	69,015,644
Payments received on notes receivable	24,888	44,978
Purchase of property and equipment	(18,741)	(7,020)
Proceeds from sale of assets	4,000	-
Net cash and cash equivalents used in investing activities	(17,199,817)	(5,377,406)
Cash Flows from Financing Activities		
Contribution of split-interest agreements	5,198,815	211,625
Payments on split-interest annuity agreements	(895,786)	(534,584)
Proceeds from note payable	-	212,263
Net cash and cash equivalents provided by (used in) financing activities	4,303,029	(110,696)
Net Increase (Decrease) in Cash and Cash Equivalents	1,196,994	(987,665)
Cash and Cash Equivalents - Beginning of year	-	987,665
Cash and Cash Equivalents - End of year	**$ 1,196,994**	**$ -**

Note 1 - Nature of Business

Community Foundation of Northern Colorado (the "Foundation") was established in 1975 to encourage and assist those who want to be a part of shaping the future of our region. We make it easy to create a charitable legacy through the creation of both endowed and nonendowed customized endowment funds, and we connect people to the not-for-profit sector in ways that inform and inspire their philanthropy and community involvement. Through hundreds of individual charitable funds, we distribute millions of dollars into our community each year. Through initiatives, forums, and educational events, we bring people together to create greater impact. For those who wish to give back to their community, we serve as a long-term, strategic partner to make their donations of time and money more effective and enjoyable. Our vision is to create impact and leave legacy. Our mission is to inspire and unify the communities we serve.

Note 2 - Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Foundation have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts and operations of the Foundation and its supporting organization, Community Foundation Trust (the "Trust"). All material intercompany accounts and transactions have been eliminated in consolidation.

Adoption of New Accounting Pronouncement

As of July 1, 2020, the Foundation adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The adoption of ASU No. 2018-13 resulted in the Foundation no longer being subject to certain fair value measurement disclosure requirements on the fair value measurements using Level 3 estimates, as disclosed in Note 5. This standard was adopted retrospectively. The adoption of this ASU did not have an impact on the Foundation's net assets or changes in net assets.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

The Foundation receives gifts from individuals, foundations, and organizations and places them into individual funds that match the giving priorities of the donors. Some of the gifts are endowment gifts, which are preserved in perpetuity subject to the variance power discussed below. The income from endowment gifts is granted to not-for-profit organizations and special community projects and initiatives.

Note 2 - Significant Accounting Policies (Continued)

Under the terms of the articles of incorporation and bylaws, the board of trustees has a variance power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of the board, such restriction or condition becomes in effect unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served. In addition, pursuant to the terms of endowment fund agreements, the Foundation retains the ultimate authority and control over the investment, expenditure, distribution, and grants of principal and income from endowment funds. It is the expressed intention of the Foundation to honor the designations of donors; however, the Foundation reserves the right to exercise final control over such funds.

Cash and Cash Equivalents

For the purpose of the accompanying consolidated financial statements, the Foundation considers all highly liquid investments with original maturities of three months or less when purchased, unless held as part of the investment portfolio, to be cash equivalents.

Investments

The Foundation's investments include privately and publicly held investments. The Foundation is required to report investments in equity securities with readily determinable values and all investments in debt securities at their fair values, with unrealized gains and losses included in the consolidated statement of activities and changes in net assets.

Direct investments in real estate, mineral rights, water rights, and impact investments are recorded at the lower of cost or fair value.

Distributive shares of income or loss from pass-through entities, such as limited partnerships and real estate partnerships, LLCs, and trusts, are recorded as income in the year such items are recognized by the Foundation and are reported as adjustments to the initial cost basis of the investment. Gains and losses attributable to the Foundation's investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the consolidated statement of activities and changes in net assets.

As of June 30, 2021 and 2020, the Foundation held $5,628,567 and $7,771,000, respectively, of investments at cost (see Note 4). The Foundation has evaluated all of the investments held at cost for impairment and did not identify any events or changes in circumstances that may have a significant adverse effect on the valuation of the investment. As a result, none of the investments have been impaired as of June 30, 2021 or 2020.

Property and Equipment

Property and equipment are recorded at cost or at fair value if donated. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives, which range from 3 to 40 years.

Beneficial Interest in Trusts Held by Third Parties

The Foundation has been named the beneficiary in assets held by trusts, where the assets of the trusts are invested and managed by third-party trustees in accordance with trust instruments established by the donors. The beneficial interest in these trust assets was $3,276,736 and $2,568,749 as of June 30, 2021 and 2020, respectively.

Note 2 - Significant Accounting Policies (Continued)

Split-interest Agreements

Split-interest agreements are recorded as an asset, revenue, and a liability at the time of the gift. The liability amount is based upon the fair value of the underlying gift, the actuarial facts of the annuitant, and a present value discount rate for the expected life of the annuitant. The difference between this present value and the fair value of the gift is recorded as revenue at the time of the gift. Subsequent changes in the present value due to life expectancy or other actuarial facts are recognized as an increase or decrease of net assets in the year the change is detected. As of June 30, 2021 and 2020, the Foundation held total assets under split-interest agreements of $18,696,517 and $4,763,511, respectively, as part of its investment portfolio and has recorded liabilities of $9,973,409 and $3,552,603, respectively.

Assets Held for Agency Funds

A fund established with a contribution from an organization for the benefit of the contributing organization is classified as an agency fund. The activity in agency funds is reported as a change in the liability for assets held for agency funds on the consolidated statement of financial condition.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future (pledges), are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipients under the contract.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as contributions without donor restrictions.

Approximately 56 percent of the Foundation's contributions for the year ended June 30, 2021 consist of contributions from three donors. Approximately 37 percent of the Foundation's contributions for the year ended June 30, 2020 consist of contributions from two donors.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Costs have been allocated between the various program and support services on several bases and estimates. Salaries have been allocated based on estimated time and effort for each role. Some other expenses, such as technology, are allocated based on usage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Use of Estimates

The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Risks and Uncertainties

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

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including December 21, 2021, which is the date the consolidated financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The following reflects the Foundation's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	2021	2020
Cash and cash equivalents	$ 1,196,994	$ -
Investments	183,139,405	129,008,505
Contributions receivable	184,435	222,440
Notes receivable	29,363	54,251
Beneficial interest in trusts	3,276,736	2,568,749
Financial assets - At year end	187,826,933	131,853,945
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions on endowment funds	52,226,206	42,145,655
Restricted pledges receivable	184,435	222,440
Investments held for split-interest agreements	18,696,517	4,763,511
Restrictions on the conversion of beneficial interest in trusts	3,276,736	2,568,749
Investments that may not be available within one year	7,514,243	10,669,159
Financial assets available to meet cash needs for general expenditures within one year	$ 105,928,796	$ 71,484,431

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments. The Foundation has no committed lines of credit.

Note 4 - Investments

The investment balance at June 30, 2021 and 2020 is composed of the following:

	2021	2020
Cash and cash equivalents	$ 6,101,496	$ 6,460,984
Certificates of deposit	103,738	102,912
Public equities and equity mutual funds	106,705,045	62,860,755
Public hedged equity mutual funds	7,884,963	-
Fixed-income debt securities and fixed-income mutual funds	48,791,687	43,864,886
Other mutual funds	530,086	2,713,895
Real estate ETFs	2,308,147	1,872,230
Real estate investment trusts	89,253	-
Hedge funds	4,996,423	2,898,159
Impact investments*	1,362,567	730,000
Limited partnerships*	150,000	2,925,000
Real estate holdings*	700,000	700,000
Gold coins	-	463,684
Mineral rights*	216,000	216,000
Water rights*	3,200,000	3,200,000
Total	$ 183,139,405	$ 129,008,505

*These investments are valued at cost, as discussed in Note 2.

Investment earnings for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Net realized and unrealized gains	$ 29,604,310	$ 2,344,929
Interest and dividends	2,869,753	2,924,659
Gross investment earnings	32,474,063	5,269,588
Investment fees	(370,935)	(259,084)
Net investment earnings of agency funds	(6,378,824)	(1,213,968)
Net investment earnings	$ 25,724,304	$ 3,796,536

Note 5 - Fair Value Measurements

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

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

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

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

Note 5 - Fair Value Measurements (Continued)

Certain assets are measured at net asset value (NAV) per share as a practical expedient to fair value and are not classified in the fair value hierarchy. NAV per share is provided by the investment managers of the investment funds and represents the investor entity's (the Foundation's) share of the underlying net assets (assets net of liabilities) of the investment fund as of the consolidated statement of financial position date.

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

These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

The following is a description of valuation methodologies used for assets measured at fair value:

Cash and cash equivalents, public equities, real estate ETFs, equity mutual funds, public hedged equity mutual funds - Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed-income debt securities and fixed-income mutual funds - Valued based on yields currently available on comparable securities of the issuer or other issuers with similar credit ratings. While some fixed-income mutual funds may be actively traded and, therefore, could be valued based on Level 1 inputs, the underlying assets in those mutual funds are based on Level 2 inputs, and, therefore, the entirety of this portfolio segment has been included as Level 2.

Gold coins - The Foundation values gold coins at fair value determined by using published closing spot prices for gold on the last business day of the fiscal year.

Certificates of deposit - The Foundation values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

Hedge funds and real estate investment trusts - The value is calculated by using NAV per share of the hedge fund or real estate investment trusts. NAV per share is provided by the investment managers of the investment funds or trusts and represents the investor entity's (the Foundation's) share of the underlying net assets (assets net of liabilities) of the investment fund as of the consolidated statement of financial position date. The hedge funds class includes investments in hedge funds that invest both long and short, primarily in U.S. and international equity markets. Management of the hedge funds has the ability to shift investments from different positions and tailor strategies from small to large capitalization stocks and from a net long position to a net short position. Unfunded commitments for hedge funds amounted to $3,518,391 and $487,500 as of June 30, 2021 and 2020, respectively, and redemptions were available with notice periods and frequencies ranging from daily to monthly between the various hedge funds in the asset class. The Foundation did not hold any investments in real estate investment trusts as of June 30, 2020.

Beneficial interest in trusts - The fair values of investments held in beneficial interest in trusts include Levels 1 and 2; however, the Foundation's pro rata share of the interest in the trusts is not quoted in active markets and, therefore, is classified under Level 3 in the fair value hierarchy.

Split-interest agreement liabilities - The liability amount is based upon the fair value of the underlying investments, the actuarial facts of the annuitant, and a present value discount rate for the expected life of the annuitant. While the fair value of the investments associated with the split-interest agreement may be determined based on Levels 1 and 2, the annuitant's expected share of the interest in those investments is not quoted and, therefore, is classified under Level 3 in the fair value hierarchy.

Note 5 - Fair Value Measurements (Continued)

The Foundation's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event, if any were to occur.

The following tables present information about the Foundation's assets and liabilities measured at fair value on a recurring basis at June 30, 2021 and 2020 and the valuation techniques used by the Foundation to determine those fair values:

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value per Share (NAV)	Balance at June 30, 2021
Assets					
Investments:					
Cash and cash equivalents	$ 6,101,496	$ -	$ -	$ -	$ 6,101,496
Certificates of deposit	-	103,738	-	-	103,738
Public equities and equity mutual funds	106,705,045	-	-	-	106,705,045
Public hedged equity mutual funds	7,884,963	-	-	-	7,884,963
Fixed-income debt securities and fixed-income mutual funds	-	48,791,687	-	-	48,791,687
Other mutual funds	530,086	-	-	-	530,086
Real estate ETFs	2,308,147	-	-	-	2,308,147
Hedge funds	-	-	-	4,996,423	4,996,423
Real estate investment trusts	-	-	-	89,253	89,253
Total investments	123,529,737	48,895,425	-	5,085,676	177,510,838
Beneficial interest in trusts	-	-	3,276,736	-	3,276,736
Total assets	$ 123,529,737	$ 48,895,425	$ 3,276,736	$ 5,085,676	$ 180,787,574
Liabilities - Split-interest agreements	$ -	$ -	$ 9,973,409	$ -	$ 9,973,409

The Foundation also held $5,628,567 of investments valued at cost as of June 30, 2021, which are not reported at fair value and, therefore, are excluded from the table above.

Note 5 - Fair Value Measurements (Continued)

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value per Share (NAV)	Balance at June 30, 2020
Assets					
Investments:					
Cash and cash equivalents	$ 6,460,984	$ -	$ -	$ -	$ 6,460,984
Certificates of deposit	-	102,912	-	-	102,912
Public equities and equity mutual funds	62,860,755	-	-	-	62,860,755
Fixed-income debt securities and fixed-income mutual funds	-	43,864,886	-	-	43,864,886
Other mutual funds	2,713,895	-	-	-	2,713,895
Real estate ETFs	1,872,230	-	-	-	1,872,230
Hedge funds	-	-	-	2,898,159	2,898,159
Gold coins	-	463,684	-	-	463,684
Total investments	73,907,864	44,431,482	-	2,898,159	121,237,505
Beneficial interest in trusts	-	-	2,568,749	-	2,568,749
Total assets	$ 73,907,864	$ 44,431,482	$ 2,568,749	$ 2,898,159	$ 123,806,254
Liabilities - Split-interest agreements	$ -	$ -	$ 3,552,603	$ -	$ 3,552,603

The Foundation also held $7,771,000 of investments at cost as of June 30, 2020, which are not reported at fair value and, therefore, are excluded from the table above.

Changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the years ended June 30, 2021 and 2020 are as follows:

	Beneficial Interest in Trusts	Split-interest Agreement Liabilities	Total
Balance at July 1, 2020	$ 2,568,749	$ (3,552,603)	$ (983,854)
Purchases, issuances, sales, and settlements:			
Issuances	-	(5,198,815)	(5,198,815)
Settlements	-	895,786	895,786
Change in split-interest agreements	707,987	(2,117,777)	(1,409,790)
Balance at June 30, 2021	$ 3,276,736	$ (9,973,409)	$ (6,696,673)

	Beneficial Interest in trusts	Split-interest Agreement Liabilities	Total
Balance at July 1, 2019	$ 2,621,185	$ (3,786,240)	$ (1,165,055)
Purchases, issuances, sales, and settlements:			
Issuances	-	(211,625)	(211,625)
Settlements	-	534,584	534,584
Change in value of split-interest agreements	(52,436)	(89,322)	(141,758)
Balance at June 30, 2020	$ 2,568,749	$ (3,552,603)	$ (983,854)

Note 6 - Property and Equipment

Property and equipment as of June 30, 2021 and 2020 are summarized as follows:

	2021	2020
Land	$ 225,000	$ 225,000
Buildings	836,508	836,508
Furniture and fixtures	59,055	71,897
Computer equipment and software	46,241	32,953
Total cost	1,166,804	1,166,358
Accumulated depreciation	396,629	384,352
Net property and equipment	$ 770,175	$ 782,006

Note 7 - Note Payable

During the year ended June 30, 2020, the Foundation received $212,263 through the Paycheck Protection Program under the CARES Act. As of June 30, 2020, under ASC 470, the Foundation elected to account for these PPP funds as a loan payable until it is repaid or legal notice of forgiveness is received. The Foundation received notice of forgiveness in April 2021. The Foundation has recorded the forgiveness in the consolidated statement of activities and changes in net assets.

Note 8 - Net Assets

Net assets consist of the following as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ 4,442,809	$ 52,226,206	$ 56,669,015
Nonendowment funds	68,309,251	-	68,309,251
Split-interest agreements	-	11,999,844	11,999,844
Nonendowed pledges receivable	-	186,000	186,000
Total	$ 72,752,060	$ 64,412,050	$ 137,164,110

Net assets consist of the following as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ 3,326,195	$ 42,145,655	$ 45,471,850
Nonendowment funds	52,942,004	-	52,942,004
Split-interest agreements	-	3,779,657	3,779,657
Nonendowed pledges receivable	-	222,440	222,440
Total	$ 56,268,199	$ 46,147,752	$ 102,415,951

Note 8 - Net Assets (Continued)

Net assets by major category as of June 30, 2021 and 2020 are as follows:

	2021	2020
Endowment funds:		
Donor advised	$ 20,572,436	$ 16,631,664
Donor designated	19,960,703	15,319,048
Scholarship	1,710,834	1,448,450
Field of interest	12,250,008	10,217,892
Board designated	2,175,034	1,854,796
Total endowment funds	56,669,015	45,471,850
Nonendowment funds:		
Donor advised	63,651,753	48,021,208
Operations	2,284,815	2,136,258
Special project	394,686	284,435
Field of interest	92,771	60,876
Scholarship	271,609	299,554
Donor designated	980,729	801,442
Other	818,888	1,560,671
Split-interest agreements	11,999,844	3,779,657
Total nonendowment funds	80,495,095	56,944,101
Total net assets	$ 137,164,110	$ 102,415,951

Funds may be established as endowed funds where only the earnings are available for the following purposes, but the corpus is intended to be maintained in perpetuity:

Donor advised - These funds are established by donors who wish to actively participate in the grant-making process in a convenient and flexible manner. Individuals, corporations, families, or committees establishing a fund advise the Foundation's staff throughout the year with respect to grant-making that benefits charitable projects or organizations of their choice. Donor-advised funds make it easy for donors to give to multiple nonprofit agencies in varying amounts at numerous times throughout the year. Successor advisors can be named, and the fund can be a beneficiary of a will, gift annuity, or charitable remainder trust. The Foundation's board of trustees is legally responsible for approving all grants.

Donor designated - These funds are established by donors who wish to support specific agencies or causes. Donors may also contribute to existing donor-designated funds. If the original designated charity ceases to exist, becomes obsolete, or is unable to perform its charitable purposes, the Foundation's board of trustees will redirect the funds to an organization providing similar services without the cost of expensive legal action.

Scholarship - These funds are established by donors who work with the Foundation's staff to establish objective criteria by which scholarship recipients will be selected. For example, scholarship criteria can look at financial need, academic achievements, seniors who are graduating from specific schools, or graduating seniors who live in a particular geographic area. Donors may serve on the selection committee (in accordance with current laws), but the Foundation's staff handles the necessary paperwork and ensures that scholarship awards are distributed to each recipient's college or university.

Field of interest - These funds are often established to support particular interest areas, specific program initiatives, causes, or geographic areas. To honor the donors' wishes, use of the funds is designated to specific areas of interest. Grants from these funds are awarded to local nonprofit agencies by the Foundation's community fund committees. The donor does not reserve an ongoing advisory role.

Note 8 - Net Assets (Continued)

Board designated - These funds are not designated for use by a particular agency, cause, or area of interest by a donor. The Foundation's board of trustees oversees the use of these funds, setting priorities for their use and determining how grants will be distributed to support the charitable needs of the community. Unrestricted funds give the Foundation the ability to respond to pressing and often changing needs in the community.

Note 9 - Donor-restricted and Board-designated Endowments

Interpretation of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the Foundation had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

	Endowment Net Asset Composition by Type of Fund as of June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 2,175,034	$ -	$ 2,175,034
Donor-designated endowment funds:			
Original donor-designated gift amount and amounts required to be maintained in perpetuity by the donor	-	29,039,297	29,039,297
Accumulated investment gains (net of administrative fees)	-	23,186,909	23,186,909
Amounts available for spending	2,267,775	-	2,267,775
Total	$ 4,442,809	$ 52,226,206	$ 56,669,015

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 3,326,195	$ 42,145,655	$ 45,471,850
Investment return	1,300,231	9,965,904	11,266,135
Contributions and transfers	105,267	2,643,444	2,748,711
Appropriation of endowment assets for expenditure	(288,884)	(2,528,797)	(2,817,681)
Endowment net assets - End of year	$ 4,442,809	$ 52,226,206	$ 56,669,015

	Endowment Net Asset Composition by Type of Fund as of June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,854,796	$ -	$ 1,854,796
Donor-designated endowment funds:			
Original donor-designated gift amount and amounts required to be maintained in perpetuity by the donor	-	28,376,466	28,376,466
Accumulated investment gains (net of administrative fees)	-	13,769,189	13,769,189
Amounts available for spending	1,471,399	-	1,471,399
Total	$ 3,326,195	$ 42,145,655	$ 45,471,850

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 3,532,551	$ 39,254,098	$ 42,786,649
Investment return	40,345	1,958,535	1,998,880
Contributions and transfers	329,258	3,007,667	3,336,925
Appropriation of endowment assets for expenditure	(575,959)	(2,074,645)	(2,650,604)
Endowment net assets - End of year	$ 3,326,195	$ 42,145,655	$ 45,471,850

Underwater Endowment Funds

As of June 30, 2021 and 2020, there were no funds with material deficiencies.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. The secondary investment objective is to earn a total return, net of expenses, at least equal to the portfolio's composite benchmark, as defined in its investment policy statement. Actual returns in any given year may vary from this amount.

Note 9 - Donor-restricted and Board-designated Endowments (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The current spending policy is to distribute an amount equal to 4.5 percent of the fund's total market value average daily balance of the past four years. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment assets to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets and to provide additional real growth through new gifts and investment return.

Note 10 - Retirement Plans

The Foundation has 401(k) retirement plans. The plans allow for eligible employees to make contributions up to the annual contribution limit provided under the Internal Revenue Code. The plans require matching contributions equal to 100 percent of employee salary deferrals, up to 3 percent of employee compensation. The Foundation expensed matching contributions to the retirement plans totaling $45,657 and $44,226 for the years ended June 30, 2021 and 2020, respectively.