

Greenville Area Community Foundation

Financial Statements

December 31, 2014

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Independent Auditors' Report

Management and Board of Trustees
Greenville Area Community Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the Greenville Area Community Foundation which comprise the statement of financial position as of December 31, 2014, and the related statements of activities 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.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greenville Area Community Foundation as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Greenville Area Community Foundation's December 31, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 11, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Yeo & Yeo, P.C.

Alma, MI
April 8, 2015

Greenville Area Community Foundation
Statement of Financial Position
December 31, 2014 with Comparative Totals for 2013

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,368,887	\$ 959,187
Pledges receivable, current portion	106,156	61,600
Note receivable, current portion	262,077	256,900
	1,737,120	1,277,687
Investments	24,226,587	21,702,787
Beneficial interest in remainder unitrust	943,783	949,057
Pledges receivable, net of current portion	143,916	179,995
Note receivable, net of current portion	1,102,189	1,364,266
Life insurance - cash surrender value	97,252	94,268
Property and equipment, net of accumulated depreciation	131,969	134,494
Property held for sale	285,000	-
	\$ 28,667,816	\$ 25,702,554
	\$ 28,667,816	\$ 25,702,554

See Accompanying Notes to Financial Statements

Greenville Area Community Foundation
Statement of Financial Position
December 31, 2014 with Comparative Totals for 2013

	2014	2013
Liabilities and net assets		
Current liabilities		
Payroll tax withholdings	\$ 3,050	\$ 2,474
Grants payable, current portion	891,851	800,446
Total current liabilities	894,901	802,920
Grants payable, net of current portion	-	60,000
Assets held for others	534,639	392,910
Total liabilities	1,429,540	1,255,830
Net assets		
Unrestricted	25,947,169	23,161,804
Temporarily restricted	1,291,107	1,284,920
Total net assets	27,238,276	24,446,724
Total liabilities and net assets	\$ 28,667,816	\$ 25,702,554

See Accompanying Notes to Financial Statements

Greenville Area Community Foundation
Statement of Activities
Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	Unrestricted	Temporarily Restricted	Total 2014	Total 2013
Revenues, gains and other support				
Contributions and grants	\$ 2,808,967	\$ 113,284	\$ 2,922,251	\$ 643,091
Add transfers out (less amounts received) for agency endowments	(155,143)	-	(155,143)	116,071
Administrative fees	239,192	-	239,192	220,827
Change in value of charitable remainder trust	-	(5,274)	(5,274)	166,851
Other income	13,678	-	13,678	5,950
Interest and dividends	465,992	-	465,992	364,900
Net realized and unrealized gain on investments	715,330	-	715,330	3,417,923
Total revenues, gains, and other support	4,088,016	108,010	4,196,026	4,935,613
Net assets released from restrictions				
Restrictions satisfied by payments and time	101,823	(101,823)	-	-
Expenses				
Program services				
Program grants and other expenses	986,083	-	986,083	988,248
Less grants made under agency endowments	(32,598)	-	(32,598)	(24,564)
Support services				
Administrative fees	239,192	-	239,192	220,827
Management and general	211,797	-	211,797	191,644
Total expenses	1,404,474	-	1,404,474	1,376,155
Change in net assets	2,785,365	6,187	2,791,552	3,559,458
Net assets at the beginning of the year	23,161,804	1,284,920	24,446,724	20,887,266
Net assets at the end of the year	\$ 25,947,169	\$ 1,291,107	\$ 27,238,276	\$ 24,446,724

See Accompanying Notes to Financial Statements

Greenville Area Community Foundation
Statement of Cash Flows
Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 2,791,552	\$ 3,559,458
Adjustments		
Depreciation	3,873	3,626
Unrealized gain on investments	(912,746)	(3,244,403)
Change in fair value of charitable remainder trusts	5,274	(166,851)
Donated land	(285,000)	-
Change in value of life insurance policy	(2,984)	(17,878)
Assets held for others reclassified	-	(116,621)
Grants returned	(21,264)	(64,430)
(Increase) decrease in operating assets		
Pledges receivable	(8,477)	(174,815)
Increase (decrease) in operating liabilities		
Payroll tax withholdings	576	(527)
Grants payable	52,669	37,262
Assets held for others	141,729	41,280
Net cash flows provided (used) by operating activities	<u>1,765,202</u>	<u>(143,899)</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,348)	-
Collections on note receivable	256,900	251,825
Proceeds from sale of investments	7,265,411	8,407,408
Purchases of investments	(8,876,465)	(8,321,325)
Net cash flows provided (used) by investing activities	<u>(1,355,502)</u>	<u>337,908</u>
Net change in cash and cash equivalents	409,700	194,009
Cash and cash equivalents at the beginning of the year	<u>959,187</u>	<u>765,178</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 1,368,887</u></u>	<u><u>\$ 959,187</u></u>

See Accompanying Notes to Financial Statements

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Note 1 - Nature of Activities and Significant Accounting Policies

The Greenville Area Community Foundation (“the Foundation”), a Michigan not-for-profit corporation, supports charitable, philanthropic, educational, literary, artistic or scientific undertakings in the Greenville, Michigan area. The Foundation is supported primarily through donor contributions and grants.

Fund Accounting

The financial statements are prepared on the accrual basis of accounting. The Foundation has determined that the use of fund accounting to segregate assets, liabilities, net assets, income and expenses although not required by accounting principles generally accepted in the United States of America, is a meaningful practice to continue. The financial activities of the Foundation are recorded in separate funds, described as follows:

Operating Fund

This fund includes resources that represent the portion of expendable funds available for support of Foundation operations and funds expended for equipment.

Pass Through Funds

Pass Through Funds are used to account for assets held by the Foundation that are not endowed, but will be expended in their entirety on a specific project or for a specific cause.

Endowment Funds

This fund consists of funds that have been established by a gift instrument describing either the general or specific purpose for which grants from the individual funds are to be made. The individual funds have been classified and reported as follows:

Discretionary - funds over which the Board has discretionary control and are available for grant making and other purposes.

Agency Endowments - funds restricted by donors to support specific charitable organizations.

Field-of-Interest - funds established to benefit specific but broadly defined, charitable purpose.

Donor Advised - funds established whereby the donor suggests specific organizations to benefit from the fund. Such donor recommendations are not binding and the Foundation reserves the right to make the final decisions on distributions from such a fund.

Designated - funds established to support a specific community project.

Scholarship - funds established to provide scholarships to individuals.

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Due to *variance power* granted by the Internal Revenue Service, the Foundation has no permanently restricted net assets and has presented its temporarily restricted and unrestricted net assets according to the requirements of the statement. In addition, the Foundation is required to present a statement of cash flows.

Contributions Received and Contributions Made

Contributions received are recorded as unrestricted or temporarily restricted, depending upon the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. A transfer of assets to the Foundation shall be accounted for as a liability if one or more of the following conditions is present:

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

- The transfer is subject to the resource provider's unilateral right to redirect the use of the assets to another beneficiary.
- The transfer is accompanied by the resource provider's conditional promise to give or is otherwise revocable or repayable.
- The resource provider controls the recipient organization and specifies an unaffiliated beneficiary.
- The resource provider specifies itself or its affiliate as the beneficiary and the transfer is not an equity transaction.

It is the Board of Trustees' (the "Board") interpretation of accounting principles generally accepted in the United States of America, that all gifts and grants received by the Foundation constitute unrestricted assets. The bylaws of the Foundation, under variance power, give the Board the authority to modify any restriction or condition on distribution of resources for any charitable purposes or to specific organizations, if in its sole judgment such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

Cash and Cash Equivalents

The Foundation invests temporary cash in various banks in the State of Michigan. For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

The carrying amount of the Foundation's deposits with financial institutions was \$1,368,887. The actual bank balances amounted to \$1,376,643. Of these balances, \$250,000 was insured by the Federal Deposit Insurance Corporation and \$1,126,643 was neither insured nor collateralized.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair

values in the statement of financial position as determined by quoted market prices. Unrealized gains and losses are included in the change in net assets.

Beneficial Interest in Remainder Unitrust

The Foundation is a beneficiary of a charitable remainder unitrust with a request that the funds be used for the betterment of Greenville and the surrounding community. The beneficial interest is measured and reported at the present value of estimated future cash flows expected to be realized by the Foundation. Changes in value each year are reported in the statement of activities.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Acquired assets are stated at cost and donated assets at fair market value. The Foundation has a \$1,000 capitalization policy. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Major improvements are capitalized while ordinary maintenance and repairs are expensed.

Property Held for Sale

The Foundation received property during 2014 valued at \$285,000. The Foundation intends to sell the property, and endow the proceeds from the sale.

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Long-Lived Assets

The Foundation evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Grants Payable

Grants payable are recognized as liabilities at the time the Board or committees authorize the expenditures, regardless of the year in which the grant is paid. Grants authorized are subject to the spending policy limitations.

Assets Held for Others

Donor designations for specific organizations made by the beneficiary organizations are recognized as a liability to the specified organization.

Allocated Expenses

Operating Fund expenses by function have been allocated between operating and administrative services.

Endowed Funds Management Policy

The Board of the Foundation has developed a spending policy that is based on the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which allows for total spending, for grants and operations, to be determined over a number of rolling quarters, regardless of the fact that distributions based on this calculation may dip into the historic gift amount or corpus.

Spending Policy - Income available for spending is determined by a total return, basically using a 12-quarter rolling average system. The amount available to spend for administration and grants is based on 6% of the funds average market value.

Investment Policy - The primary objective of the investments for the Foundation will be to provide for long-term growth of principal and income without undue exposure to risk, enabling the

Foundation to make grants on a continuing and reasonably consistent basis. The focus will be on long-term capital appreciation, with income generation as a secondary consideration. The Foundation seeks returns over a full market cycle (minimum five years) that equal or exceed the consumer price index plus 5%. Due to the inevitability of short-term market fluctuations, the Foundation does not expect that the investment objective will necessarily be achieved each and every year.

Comparative Financial Statements

The financial information for the year ended December 31, 2013, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Internal Revenue Service has ruled that the Foundation is qualified under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to tax under present federal income tax laws, and also is not a private foundation under the meaning of Section 509(a)(1) of the code. For the year ended December 31, 2014, there were no penalties recorded or included in the financial statements. The Foundation files information returns in the U.S. Federal jurisdiction. Generally, the statute of limitations on federal returns expires after three years.

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Fair Value Disclosures

The estimated fair value amounts have been determined by the Foundation using available market information and appropriate valuation methodologies. The estimates are subjective in nature and involve uncertainties and matters of considerable judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amount the Foundation could realize in a current market exchange. The use of different assumptions, judgments, and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Subsequent Events

Management has evaluated subsequent events through April 8, 2015, which is the date the financial statements were available to be issued.

Note 2 - Investments

Fair value of investments is as follows at December 31:

	<u>2014</u>	<u>2013</u>
Mutual funds - equities	\$ 20,681,987	\$ 19,597,156
Mutual funds - fixed income	3,544,600	2,105,631
Total	<u>\$ 24,226,587</u>	<u>\$ 21,702,787</u>

Investment income is comprised of the following at December 31:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 465,992	\$ 364,900
Investment fees	(89,066)	(82,454)
Net gain on investments	715,330	3,417,923
Net investment income	<u>\$ 1,092,256</u>	<u>\$ 3,700,369</u>

Donor designated

Interest	\$ 7,180	\$ 5,627
Net gain on investments	12,004	59,667
Net investment income	<u>\$ 19,184</u>	<u>\$ 65,294</u>

The net gain on investments are comprised of \$185,412 of net realized losses and \$912,746 net unrealized gains for the year ended December 31, 2014, and \$233,187 of net realized gains and \$3,244,403 net unrealized gains for the year ended December 31, 2013.

Note 3 - Pledges Receivable

All recognized pledges receivable as of December 31, 2014 are unconditional. No allowance was deemed necessary for pledges receivable as they were deemed fully collectible by management.

Pledges receivable are scheduled to be collected as follows:

<u>Year Ended December 31,</u>	
2015	\$ 106,156
2016	83,017
2017	55,570
2018	4,030
2019	700
Thereafter	599
	<u>\$ 250,072</u>

Note 4 - Note Receivable

The Foundation was assigned a note receivable collectable from a local business by a donor. The face amount of the note at the time of assignment was \$2,180,790. The note matures December 15, 2019 and bears a 2% interest rate. All of the assets of the local business serve as collateral. The note is considered fully collectable.

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Principal and interest are expected to be collected as follows:

Year Ending December 31,	Principal	Interest	Total
2015	\$ 262,077	\$ 25,327	\$ 287,404
2016	267,357	20,047	287,404
2017	272,744	14,660	287,404
2018	278,241	9,163	287,404
2019	283,847	3,557	287,404
	<u>\$ 1,364,266</u>	<u>\$ 72,754</u>	<u>\$ 1,437,020</u>

Note 5 - Life Insurance – Cash Surrender Value

The Foundation is listed as the beneficiary of a donor's life insurance policy. The cash surrender value of the policy is recorded in the statement of financial position. The initial recording and subsequent increases in value are recorded as contributions. The death benefit of the policy is \$266,277. The cash surrender value of the policy at December 31, 2014 and 2013 was \$97,252 and \$94,268, respectively.

Note 6 - Property and Equipment

Property and equipment is made up of the following at December 31:

	2014	2013
Land	\$ 60,000	\$ 60,000
Land improvements	1,195	1,195
Building	80,240	80,240
Furniture and equipment	14,155	15,804
Less: accumulated depreciation	(23,621)	(22,745)
	<u>\$ 131,969</u>	<u>\$ 134,494</u>

Depreciation expense for the years ended December 31, 2014 and 2013 was \$3,873 and \$3,626 respectively.

Note 7 - Grants Payable

The following summarizes the changes in grants payable during 2014 and 2013.

	2014	2013
Grants payable at beginning of year	\$ 860,446	\$ 887,614
Additions: unconditional grants recognized	942,489	906,540
Deductions: grants returned	(21,264)	(64,430)
Deductions: payments made	(889,820)	(869,278)
Grants payable at year end	<u>\$ 891,851</u>	<u>\$ 860,446</u>

The grants payable at December 31, 2014 are scheduled to be disbursed during 2015.

Note 8 - Assets Held for Others

The Foundation has entered into exchange transactions with other not-for-profit organizations and as a result, assets held for others are included in the agency endowment funds. The fund agreements between the Foundation and the organizations allow for distributions per the spending policy of the Foundation. The resources received under these agreements are not considered contributions to the Foundation and, therefore, have been classified as a liability. As of December 31, the assets held for others are as follows:

	2014	2013
Assets held for others	<u>\$ 534,639</u>	<u>\$ 392,910</u>

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Note 9 - Operating Fund

Operating fund unrestricted net assets consist of the following at December 31:

	<u>2014</u>	<u>2013</u>
Investment in land, property and equipment	\$ 131,969	\$ 134,494
Other	134,758	91,060
	<u>\$ 266,727</u>	<u>\$ 225,554</u>

Note 10 - Change in Endowment Net Assets

Changes in endowment net assets for 2014 are as follows:

	Discretionary Endowment Funds	Agency Endowment Funds	Field of Interest Endowment Funds	Donor Advised Endowment Funds	Designated Endowment Funds	Scholarship Endowment Funds	Total
December 31, 2013	\$ 5,723,243	\$ 392,910	\$ 9,207,849	\$ 817,971	\$ 3,586,118	\$ 4,787,425	\$ 24,515,516
Contributions	1,411,073	155,143	10,999	31,920	478,446	826,496	2,914,077
Amounts appropriated for expenditures	(268,959)	(32,598)	(453,357)	(46,477)	(170,735)	(192,215)	(1,164,341)
Investment income	127,304	7,180	172,700	15,361	41,653	107,693	471,891
Appreciation of investments	174,409	12,004	295,586	24,796	65,492	153,067	725,354
Other changes	-	-	-	-	(14,314)	-	(14,314)
December 31, 2014	<u>\$ 7,167,070</u>	<u>\$ 534,639</u>	<u>\$ 9,233,777</u>	<u>\$ 843,571</u>	<u>\$ 3,986,660</u>	<u>\$ 5,682,466</u>	<u>\$ 27,448,183</u>

Note 11 - Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Time restrictions accomplished for pledges	<u>\$ 101,823</u>
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Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Note 12 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31:

	<u>2014</u>	<u>2013</u>
Pledges receivable	\$ 250,072	\$ 241,595
Life insurance - cash surrender value	97,252	94,268
Receivable from trusts	943,783	949,057
	<u>\$ 1,291,107</u>	<u>\$ 1,284,920</u>

Note 13 - Net Asset Reconciliation

The following is a reconciliation of fund categories to total net assets at December 31:

	<u>2014</u>	<u>2013</u>
Endowment funds (see note 10)	\$ 27,448,183	\$ 24,515,516
Operating fund (see note 9)	266,727	225,554
Pass through fund	58,005	98,564
	<u>27,772,915</u>	24,839,634
Less: assets held for others (see note 8)	(534,639)	(392,910)
Total net assets	<u>\$ 27,238,276</u>	<u>\$ 24,446,724</u>
Unrestricted net assets	\$ 25,947,169	\$ 23,161,804
Temporarily restricted net assets (see note 12)	1,291,107	1,284,920
Total net assets	<u>\$ 27,238,276</u>	<u>\$ 24,446,724</u>

Note 14 - Retirement Benefit Plan

The Foundation has a Simple IRA Employee Pension Plan. The plan allows a pretax employee contribution up to \$6,000 per year. The Foundation contributes 3% of eligible employee wages to the plan. The contributions for December 31, 2014 and 2013 were \$3,924 and \$3,496 respectively.

Note 15 - Fair Value Measurements

The following tables represent information about the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2014, and the valuation techniques used at the Foundation to determine those fair values.

In general, 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.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the 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.

Greenville Area Community Foundation
Notes to Financial Statements
December 31, 2014

Disclosure concerning assets and liabilities measured at fair value on a recurring basis are as follows as of December 31:

	Fair Value Measurements using:		
	Balance at December 31, 2014	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Assets			
Mutual funds - equities	\$ 20,681,987	\$ 20,681,987	\$ -
Mutual funds - fixed income	3,544,600	3,544,600	-
Beneficial interest in remainder unitrust	943,783	-	943,783
	<u>\$ 25,170,370</u>	<u>\$ 24,226,587</u>	<u>\$ 943,783</u>
Liabilities			
Assets held for others	<u>\$ 534,639</u>	<u>\$ -</u>	<u>\$ 534,639</u>

	Fair Value Measurements using:		
	Balance at December 31, 2013	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Assets			
Mutual funds - equities	\$ 20,681,987	\$ 20,681,987	\$ -
Mutual funds - fixed income	3,544,600	3,544,600	-
Beneficial interest in remainder unitrust	949,057	-	949,057
	<u>\$ 25,175,644</u>	<u>\$ 24,226,587</u>	<u>\$ 949,057</u>
Liabilities			
Assets held for others	<u>\$ 392,910</u>	<u>\$ -</u>	<u>\$ 392,910</u>

Changes in level 3 assets and liabilities at fair value on a recurring basis are as follows:

	Beneficial Interest in Remainder Unitrust	Assets Held for Others
December 31, 2013	\$ 949,057	\$ 392,910
Total unrealized gains (losses) included in change in net assets	(5,274)	12,004
Additions	-	162,323
Payments	-	(32,598)
December 31, 2014	<u>\$ 943,783</u>	<u>\$ 534,639</u>

The Foundation estimates the fair value of the beneficial interest in remainder unitrust asset based upon the fair value of the assets in the trust unless the facts and circumstances indicate that the fair value would be different. The significant unobservable inputs and amounts used are the fair value of the assets in the trust totaling \$1,061,568 at December 31, 2014.

Assets held for others characterized as a Level 3 liability consists of agency endowment funds established by not-for-profit organizations with their own funds, for which the Foundation reports a liability for the market value. The Foundation estimates the fair value of these assets held for others at the fair value of the underlying assets unless the facts and circumstances indicate the fair value would be different.

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at 12/31/14	Valuation Techniques	Unobservable Input	Range (Weighted) Average
Beneficial interest in remainder unitrust	\$ 943,783	Income Method	Interest rate Age	12.06% 90 years

Greenville Area Community Foundation
Operating Fund
Schedule of Changes in Net Assets
(With Comparative Totals for the Year Ended December 31, 2013)

	<u>2014</u>	<u>2013</u>
Revenues		
Contributions and grants	\$ -	\$ 1,400
Administrative fees	239,192	220,827
Other income	13,678	5,950
Interest and dividends	100	104
	<u>252,970</u>	<u>228,281</u>
Expenses		
Salaries	130,802	130,104
Employee benefits	3,924	3,496
Payroll taxes	10,476	10,420
Professional fees	12,312	6,938
FIMS fees	4,416	5,006
Supplies	3,182	3,320
Telephone	502	416
Postage	2,825	2,399
Insurance	2,994	2,897
Repairs and maintenance	2,381	738
Utilities	6,739	6,936
Publications and dues	7,172	3,871
Meetings, luncheons, dinners	1,605	1,842
Annual dinner expense	10,946	6,792
LAC interfund grant	4,000	-
Miscellaneous	3,648	2,843
	<u>207,924</u>	<u>188,018</u>
Total expenses before depreciation	207,924	188,018

Greenville Area Community Foundation
Operating Fund
Schedule of Changes in Net Assets
(With Comparative Totals for the Year Ended December 31, 2013)

	2014	2013
Depreciation	\$ 3,873	\$ 3,626
Total expenses	211,797	191,644
Change in net assets	41,173	36,637
Net assets at the beginning of the year	225,554	188,917
Net asset at the end of the year	\$ 266,727	\$ 225,554

Greenville Area Community Foundation
Pass Through and Endowment Funds
Schedule of Changes in Net Assets
Year Ended December 31, 2014

	January 1, 2014	Transfers In (Out)	Contributions and Grants	Investment Income	Net Gains on Securities	Expenses		December 31, 2014
						Program Grants	Other Expenses	
Pass Through Fund	\$ 98,564	\$ 14,314	\$ 2,900	\$ 1,181	\$ 1,980	\$ 60,093	\$ 841	\$ 58,005
Endowment Fund								
Discretionary Funds	\$ 5,723,243	\$ -	\$ 1,411,073	\$ 127,304	\$ 174,409	\$ 192,933	\$ 76,026	\$ 7,167,070
Agency Endowment Funds	392,910	-	155,143	7,180	12,004	27,534	5,064	534,639
Field of Interest Funds	9,207,849	-	10,999	172,700	295,586	310,798	142,559	9,233,777
Donor Advised Funds	817,971	-	31,920	15,361	24,796	35,769	10,708	843,571
Designated Funds	3,586,118	(14,314)	478,446	41,653	65,492	134,456	36,279	3,986,660
Scholarship Funds	4,787,425	-	826,496	107,693	153,067	127,225	64,990	5,682,466
	24,515,516	(14,314)	2,914,077	471,891	725,354	828,715	335,626	27,448,183
Less donor designations for specific organizations	392,910	-	155,143	7,180	12,004	27,534	5,064	534,639
	<u>\$ 24,122,606</u>	<u>\$ (14,314)</u>	<u>\$ 2,758,934</u>	<u>\$ 464,711</u>	<u>\$ 713,350</u>	<u>\$ 801,181</u>	<u>\$ 330,562</u>	<u>\$ 26,913,544</u>